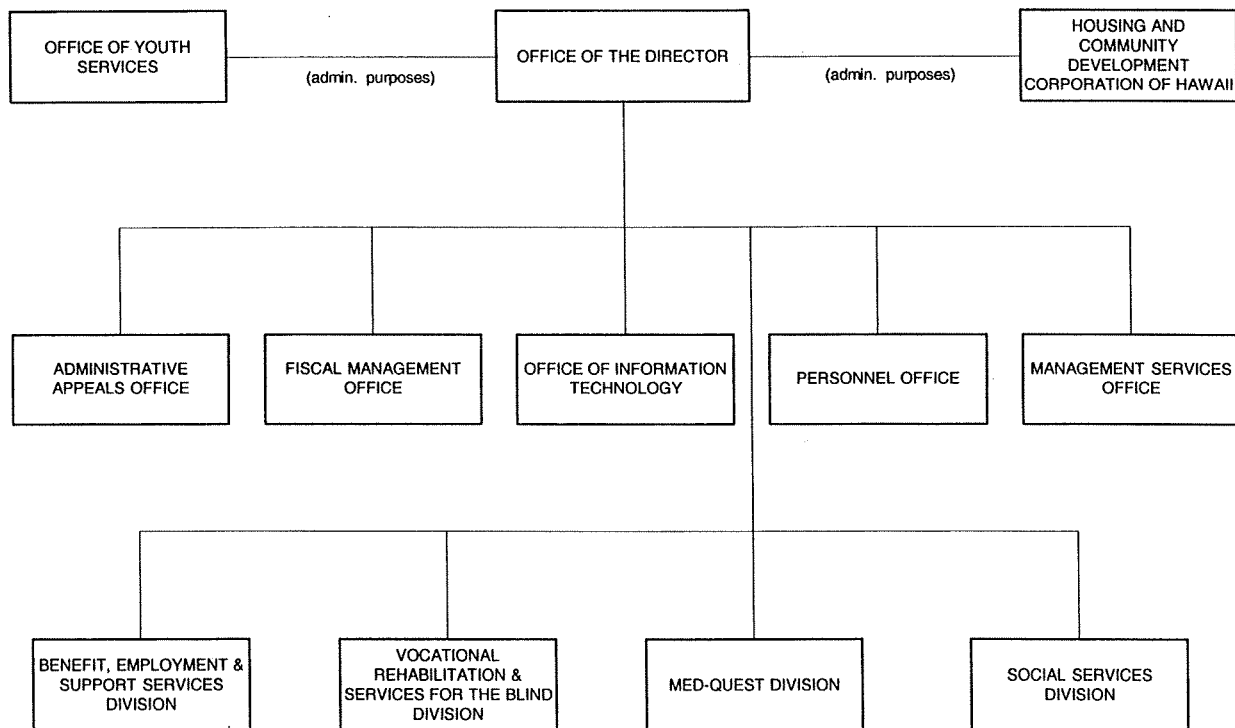




Department of Human Services

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
PLAN OF ORGANIZATION



DEPARTMENT OF HUMAN SERVICES MAJOR FUNCTIONS

- Provides employment related services, childcare services, and economic assistance to eligible families and individuals.
- Provides medical assistance programs to eligible families and individuals.
- Provides child welfare and adult and community care services to eligible families and individuals.
- Provides a continuum of prevention, rehabilitation and treatment services and programs for youth at risk.
- Serves as a catalyst to provide Hawaii residents with affordable housing and shelter.
- Administers programs of vocational rehabilitation, independent living rehabilitation, services for the blind, and disability determination.

MAJOR PROGRAM AREAS

The Department of Human Services has programs in the following major program areas:

Social Services					
HMS 201	Temp Assistance to Needy Families	HMS 230	Health Care Payments	HMS 601	Adult and Community Care Services
		HMS 231	Rental Housing Trust Fund		
HMS 202	Payments to Assist the Aged, Blind and Disabled	HMS 236	Eligibility Determination and Employment Related Services	HMS 603	Home and Community-Based Care Services
HMS 203	Temp Assistance to Other Needy Families	HMS 237	Employment and Training	HMS 605	Community-Based Residential Support
HMS 204	General Assistance Payments	HMS 238	Disability Determination	HMS 807	Teacher Housing
HMS 206	Federal Assistance Payments	HMS 245	Quest Health Care Payments	HMS 901	General Support for Social Services
HMS 220	Rental Housing Services	HMS 301	Child Welfare Services		
HMS 222	Rental Assistance Services	HMS 302	Child Care Services	HMS 902	General Support for Health Care Payments
HMS 223	Broadened Homesite Ownership	HMS 303	Child Out-of-Home Payments	HMS 903	General Support for Benefit, Employment and Support Services
HMS 224	Homeless Services	HMS 305	Child Care Payments		
HMS 225	Private Housing Development and Ownership	HMS 501	Youth Services Administration	HMS 904	General Administration
HMS 227	Housing Finance	HMS 502	Youth Services Programs		
HMS 229	HCDCH Administration	HMS 503	Youth Residential Programs	Employment	
				HMS 802	Vocational Rehabilitation

DEPARTMENT OF HUMAN SERVICES

Department Summary

Mission Statement

To empower those who are the most vulnerable in our State to expand their capacity for self-sufficiency, self-determination, independence, healthy choices, quality of life, and personal dignity.

Department Goals

Customers First

Accountability for Outcomes

Personal Responsibility for Actions

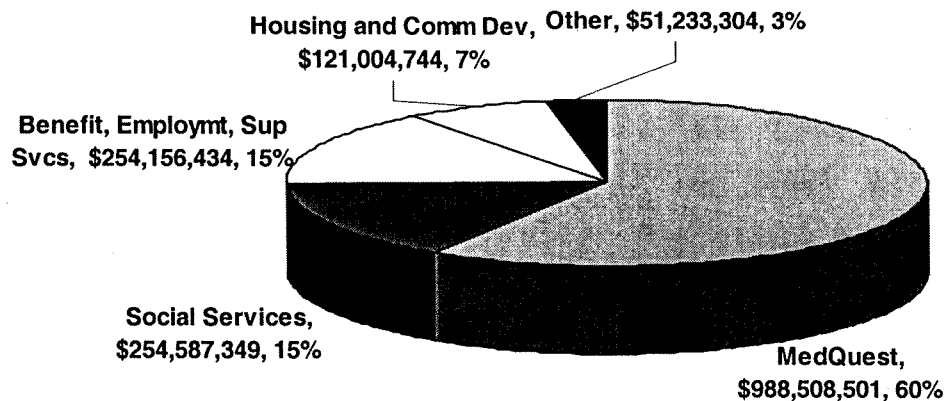
Partnering to Create Opportunities

Significant Measures of Effectiveness

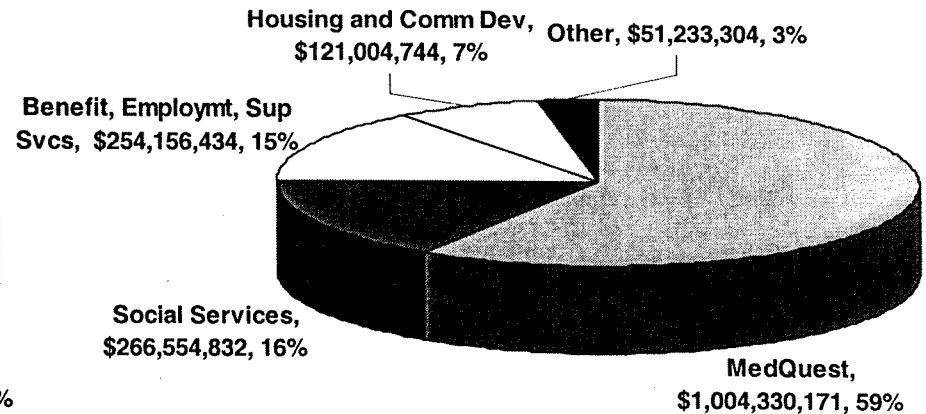
	FY 2006	FY 2007
1. % Temporary Assistance to Needy Families recipients in work program exiting due to earnings	15	15
2. % QUEST members satisfied with the managed care health program	88	88
3. % dependent adults with Adult Protective Services not reabused or neglected	95	95

FB 2005-2007 Budget by Major Activity

FY 2006



FY 2007



**Department of Human Services
(Operating Budget)**

		<u>FY 2005 Allocation</u>	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:	Positions	1,218.09	1,245.34	1,245.34
General Fund	\$	613,215,707	649,912,615	663,974,310
Special Funds		450,000	450,000	450,000
		1,010.41	1,040.16	1,040.16
Federal Funds		898,339,336	949,532,911	961,985,034
Private Contributions		10,000	10,000	10,000
Trust Funds		14,008,563	14,008,563	14,008,563
		0.50	0.50	0.50
Interdepartmental Transfers		34,431,063	43,430,874	44,705,609
		54.00	62.00	62.00
Revolving Funds		11,510,860	12,145,369	12,145,969
		2,283.00	2,348.00	2,348.00
Total Requirements		<u>1,571,965,529</u>	<u>1,669,490,332</u>	<u>1,697,279,485</u>

Highlights of the Executive Biennium Budget Request:

1. Provided \$25,865,053 for FY 06 and \$25,974,434 for FY 07 in general funds and \$29,483,223 for FY 06 and \$22,483,883 for FY 07 in federal funds for the Medicaid fee-for-service program. Additional funds are needed to cover projected increases for inpatient hospital, nursing home, and prescription drug costs for aged, blind, and disabled clients. (Entitlements)
2. Provided \$2,284,893 for FY 06 and \$10,159,412 for FY 07 in general funds and \$5,250,000 for FY 06 and \$20,087,110 for FY 07 for the QUEST managed care health program. (Entitlements)
3. Provided \$3,036,325 for FY 06 and \$3,630,394 for FY 07 in general funds and \$12,044,673 for FY 06 and \$14,549,830 for FY 07 in federal funds for the home and community based care services program (Medicaid waiver). (Entitlements)
4. Provided \$3,080,963 for FY 06 and \$7,988,923 for FY 07 in general funds and \$2,102,362 for FY 06 and \$4,211,558 for FY 07 in federal funds for the child out-of-home payment (foster care) program. (Entitlements)

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID:

PROGRAM STRUCTURE NO.

PROGRAM TITLE: DEPARTMENT OF HUMAN SERVICES

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	2,328.00*	2,325.00*	2,348.00*	2,348.00*	2,348.0*	2,348.0*	2,348.0*	2,348.0*
PERSONAL SERVICES	109,309,162	113,933,669	118,995,143	118,995,143	118,993	118,993	118,993	118,993
OTHER CURRENT EXPENSES	1,371,554,701	1,460,252,936	1,549,804,448	1,577,593,601	1,644,027	1,732,610	1,857,662	1,962,916
EQUIPMENT	590,741	590,741	590,741	590,741	590	590	590	590
MOTOR VEHICLE	100,000	100,000	100,000	100,000	100	100	100	100
TOTAL OPERATING COST	1,481,554,604	1,574,877,346	1,669,490,332	1,697,279,485	1,763,710	1,852,293	1,977,345	2,082,599
BY MEANS OF FINANCING								
GENERAL FUND	1,224.34*	1,224.34*	1,245.34*	1,245.34*	1,245.4*	1,245.4*	1,245.4*	1,245.4*
SPECIAL FUND	575,903,537	615,315,081	649,912,615	663,974,310	685,002	715,475	764,289	800,021
OTHER FED. FUNDS	450,000	450,000	450,000	450,000	450	450	450	450
PRIVATE CONTRIB.	1,038.16*	1,028.16*	1,040.16*	1,040.16*	1,040.1*	1,040.1*	1,040.1*	1,040.1*
TRUST FUNDS	847,514,285	898,752,067	949,532,911	961,985,034	1,007,721	1,064,613	1,132,762	1,200,835
INTERDEPT. TRANSFER	10,000	10,000	10,000	10,000	10	10	10	10
REVOLVING FUND	14,008,563	14,008,563	14,008,563	14,008,563	14,008	14,008	14,008	14,008
CAPITAL IMPROVEMENT COSTS	.50*	.50*	.50*	.50*	.5*	.5*	.5*	.5*
PLANS	32,435,577	34,431,063	43,430,874	44,706,209	44,373	45,591	53,680	55,129
DESIGN	65.00*	72.00*	62.00*	62.00*	62.0*	62.0*	62.0*	62.0*
CONSTRUCTION	11,232,642	11,910,572	12,145,369	12,145,369	12,146	12,146	12,146	12,146
EQUIPMENT								
TOTAL CAPITAL EXPENDITURES	15,305,000	18,549,000	10,600,000	10,120,000	7,700	6,000		
BY MEANS OF FINANCING								
G.O. BONDS	4,001,000	4,970,000	10,600,000	10,120,000	7,700	6,000		
OTHER FED. FUNDS	11,304,000	13,579,000						
TOTAL POSITIONS	2,328.00*	2,325.00*	2,348.00*	2,348.00*	2,348.00*	2,348.00*	2,348.00*	2,348.00*
TOTAL PROGRAM COST	1,496,859,604	1,593,426,346	1,680,090,332	1,707,399,485	1,771,410	1,858,293	1,977,345	2,082,599

Department of Human Services
(Capital Improvements Budget)

	<u>FY 2006</u>	<u>FY 2007</u>
Funding Sources:		
General Obligation Bonds	13,500,000	12,000,000
Total Requirements	<u>13,500,000</u>	<u>12,000,000</u>

Highlights of the Executive CIP Budget Request (general obligation bond funds):

1. Provided \$1,500,000 in FY 06 for infrastructure improvements and repairs at the Hawaii Youth Correctional Facility.
2. Provided \$2,000,000 in FY 06 and FY 07 for public housing cesspool replacement.
3. Provided \$10,000,000 in FY 06 and FY 07 for public housing repairs and renovations.

STATE OF HAWAII
PROGRAM ID

PROGRAM STRUCTURE NO.

PROGRAM TITLE

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT
IN THOUSANDS OF DOLLARS

REPORT B78
PAGE 222

DEPARTMENT OF HUMAN SERVICES

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE		BUDGET PERIOD							SUCCEED YEARS	
				COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07 08	FY 08-09		FY 09-10
			PLANS	692	307	50	330	5						
			LAND	1,287	887	200	200							
			DESIGN	15,169	9,455	202	727	3,485	1,300					
			CONSTRUCTION	125,678	97,619	1,197	6,152	10,010	10,700					
			EQUIPMENT	295	293	1	1							
			TOTAL	143,121	108,561	1,650	7,410	13,500	12,000					
			G.O. BONDS	61,865	27,305	1,650	7,410	13,500	12,000					
			OTHER FED. FUN	81,256	81,256									

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Operating Budget Details

PROGRAM ID:

PROGRAM STRUCTURE NO. 02

PROGRAM TITLE: EMPLOYMENT

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	-----IN DOLLARS-----				-----IN THOUSANDS-----			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	119.00*	119.00*	119.00*	119.00*	119.0*	119.0*	119.0*	119.0*
PERSONAL SERVICES	6,253,318	6,446,779	6,941,600	6,941,600	6,942	6,942	6,942	6,942
OTHER CURRENT EXPENSES	9,398,978	9,358,978	10,662,783	10,662,783	10,663	10,663	10,663	10,663
TOTAL OPERATING COST	15,652,296	15,805,757	17,604,383	17,604,383	17,605	17,605	17,605	17,605
	=====	=====	=====	=====	=====	=====	=====	=====
BY MEANS OF FINANCING								
GENERAL FUND	26.36*	26.36*	26.36*	26.36*	26.4*	26.4*	26.4*	26.4*
	3,834,759	3,823,051	3,895,309	3,895,309	3,895	3,895	3,895	3,895
	92.64*	92.64*	92.64*	92.64*	92.6*	92.6*	92.6*	92.6*
OTHER FED. FUNDS	10,487,337	10,652,506	12,379,474	12,379,474	12,379	12,379	12,379	12,379
REVOLVING FUND	1,330,200	1,330,200	1,329,600	1,329,600	1,331	1,331	1,331	1,331
TOTAL POSITIONS	119.00*	119.00*	119.00*	119.00*	119.00*	119.00*	119.00*	119.00*
TOTAL PROGRAM COST	15,652,296	15,805,757	17,604,383	17,604,383	17,605	17,605	17,605	17,605
	=====	=====	=====	=====	=====	=====	=====	=====

PROGRAM ID: HMS802
PROGRAM STRUCTURE NO. 020403
PROGRAM TITLE: VOCATIONAL REHABILITATION

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	119.00*	119.00*	119.00*	119.00*	119.0*	119.0*	119.0*	119.0*
PERSONAL SERVICES	6,253,318	6,446,779	6,941,600	6,941,600	6,942	6,942	6,942	6,942
OTHER CURRENT EXPENSES	9,398,978	9,358,978	10,662,783	10,662,783	10,663	10,663	10,663	10,663
TOTAL OPERATING COST	15,652,296	15,805,757	17,604,383	17,604,383	17,605	17,605	17,605	17,605
=====								
BY MEANS OF FINANCING								
GENERAL FUND	26.36*	26.36*	26.36*	26.36*	26.4*	26.4*	26.4*	26.4*
	3,834,759	3,823,051	3,895,309	3,895,309	3,895	3,895	3,895	3,895
	92.64*	92.64*	92.64*	92.64*	92.6*	92.6*	92.6*	92.6*
OTHER FED. FUNDS	10,487,337	10,652,506	12,379,474	12,379,474	12,379	12,379	12,379	12,379
REVOLVING FUND	1,330,200	1,330,200	1,329,600	1,329,600	1,331	1,331	1,331	1,331
TOTAL POSITIONS	119.00*	119.00*	119.00*	119.00*	119.00*	119.00*	119.00*	119.00*
TOTAL PROGRAM COST	15,652,296	15,805,757	17,604,383	17,604,383	17,605	17,605	17,605	17,605
=====								

PROGRAM ID: HMS-802

PROGRAM STRUCTURE NO: 020403

PROGRAM TITLE: VOCATIONAL REHABILITATION

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 NO. RECEIVING SERVICES AS % NEEDING SERVICES	14	14	14	14	14	14	14	14
2 NO. PLACED AS % RECEIVING SERVICES DURING YR.	9	9	9	9	9	9	9	9
3 AVERAGE TIME TO ACHIEVE GAINFUL EMPLOYMENT	30	30	30	30	30	30	30	30
4 AV. COST PER INDIVIDUAL TO ACHIEVE EMPLOYMENT	3500	3500	3500	3500	3500	3500	3500	3500
5 AV. WKLY EARNINGS AS % OF EARNINGS PRIOR TO SERV	650	650	650	650	650	650	650	650
PROGRAM TARGET GROUPS								
1 # PERSONS W DISABILITIES WHO COULD BENEFIT FR V R	48000	48000	48000	48000	48000	48000	48000	48000
PROGRAM ACTIVITIES								
1 NO. OF APPLICATIONS PROCESSED	2250	2250	2250	2250	2250	2250	2250	2250
2 NO. OF VOC. REHAB. PLANS DEVELOPED	1350	1350	1350	1350	1350	1350	1350	1350
3 NO. IN REHABILITATION PROGRAM	6800	6800	6800	6800	6800	6800	6800	6800
4 NO. OF SUCCESSFUL JOB PLACEMENT	625	625	625	625	625	625	625	625
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	7,656	7,656	7,656	7,656	7,656	7,656	7,656	7,656
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS	850	850	850	850	850	850	850	850
TOTAL PROGRAM REVENUES	8,506	8,506	8,506	8,506	8,506	8,506	8,506	8,506
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,416
ALL OTHER FUNDS	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090
TOTAL PROGRAM REVENUES	8,506	8,506	8,506	8,506	8,506	8,506	8,506	8,506

Program Plan Narrative

HMS 802: VOCATIONAL REHABILITATION

02 04 03

A. Statement of Program Objectives

To enable those with disabilities to achieve employment by providing them vocational rehabilitation services.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The budget request for the FY 2006-2007 includes a request to bring into the budget an increase in the federal funds from its Basic Support grant to develop job and career opportunities for individuals with disabilities in the competitive labor market and a Literacy federal grant to investigate the effectiveness of adult literacy training on the employment and earnings of vocational rehabilitation participants and to facilitate the development of literacy services. This request does not require general fund support.

C. Description of Activities Performed

1. Applications Processed – The counselors review applications and accept or reject an applicant after medical, social, psychological and other diagnostic assessments are conducted to determine if an individual with a disability is eligible for services.
2. Vocational Rehabilitation Plans Developed – Once an applicant is accepted, the client and the counselor conduct a thorough vocational assessment and develops an individualized employment plan to achieve a specific employment outcome.
3. Vocational Rehabilitation – The applicant receives one or a combination of the following services: diagnostic assessment, counseling and guidance, medical treatment, rehabilitation technology and training to assist the individual with a disability to achieve an employment outcome.

4. Job Placement – The program defines this as a disabled client who has successfully remained on the job for 90 days or more and whose case has been closed as successfully rehabilitated.

D. Statement of Key Policies Pursued

The agency will give priority to those individuals with the most significant disabilities.

The Vocational Rehabilitation Program will work in partnership with the community, its State Rehabilitation Council and the State and Local Workforce Development Councils to more effectively assist a greater number of individuals with disabilities to prepare for and obtain employment. The Vocational Rehabilitation program will assist its professional staff to become qualified rehabilitation counselors by achieving a Master's Degree in Rehabilitation Counseling in accordance with the program's Comprehensive System for Personnel Development.

E. Identification of Important Program Relationships

For persons with disabilities who are potentially employable, the VR program provides a wide range of services and is concerned with all phases from assessment and treatment of the disability through training, job placement and follow-up. Working agreements with the Department of Health and the Department of Labor aid in avoiding duplication of effort and for mutual referrals for specific services.

An agreement between the Division of Vocational Rehabilitation and the Benefit, Employment and Support Services Division exists to provide vocational rehabilitation services to disabled public assistance recipients so that they achieve economic self-sufficiency.

A working agreement between the Department of Education and the Division of Vocational Rehabilitation is in effect to provide students with disabilities with opportunities to develop vocational skills and competencies.

F. Description of Major External Trends Affecting the Program

1. Greater demands are being made by advocacy groups for the disabled for expansion of services, especially to the most significantly disabled. Congress passed the Americans with Disabilities Act in 1990 and the Workforce Investment Act of 1998, which has created more requirements for access and collaboration among vocational training and employment programs.
2. Greater demands on the program to serve persons with the most significant disabilities, assisting them to make informed choices consistent with their strengths, resources, priorities, concerns, abilities, and capabilities to achieve economic self-sufficiency. This will place more emphasis on how we train our staff and how we serve our clients. We need to constantly improve the quality of service. Even as we are expected to serve those with the most significant disabilities, we are expected to serve them with a higher level of quality.
3. Persons with disabilities want to achieve the maximum level of self sufficiency. With the high cost of living in Hawaii, the program must learn what kinds of services and what kinds of jobs will help our clients achieve self-sufficiency, to the extent they are capable. There will have to be greater investment in client education and training. This will increase the time to complete the program and the cost of each person's program.
4. The economy. Private sector employers have reduced their workforce while focusing on increased staff effectiveness. They continue to expand the roles

and responsibilities of employees, expecting each to do more. It takes longer to prepare clients for these increased demands.

G. Discussion of Cost, Effectiveness, and Program Size Data

The program continues to prioritize and to serve individuals with significant to the most significant disabilities in compliance with federal law. These individuals require multiple services for an extended period of time before achieving employment, increasing cost particularly for support services such as rehabilitation technology. The program was successful in bringing in more people into the rehabilitation program and placing more individuals into jobs. This trend is expected to continue, requiring more resources. The Ticket to Work and Work Improvement Incentive Act of 1999 is expected to generate more referrals to Vocational Rehabilitation.

The primary focus will continue to be training and developing counselors to learn how to effectively serve those with significant and most significant disabilities and developing more resources to meet their needs.

H. Discussion of Program Revenues

The program is funded by a combination of state general funds and various federal grants.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

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OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID:

PROGRAM STRUCTURE NO. 06

PROGRAM TITLE: SOCIAL SERVICES

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	2,209.00*	2,206.00*	2,229.00*	2,229.00*	2,229.0*	2,229.0*	2,229.0*	2,229.0*
PERSONAL SERVICES	103,055,844	107,486,890	112,053,543	112,053,543	112,051	112,051	112,051	112,051
OTHER CURRENT EXPENSES	1,362,155,723	1,450,893,958	1,539,141,665	1,566,930,818	1,633,364	1,721,947	1,846,999	1,952,253
EQUIPMENT	590,741	590,741	590,741	590,741	590	590	590	590
MOTOR VEHICLE	100,000	100,000	100,000	100,000	100	100	100	100
TOTAL OPERATING COST	1,465,902,308	1,559,071,589	1,651,885,949	1,679,675,102	1,746,105	1,834,688	1,959,740	2,064,994
BY MEANS OF FINANCING								
GENERAL FUND	1,197.98*	1,197.98*	1,218.98*	1,218.98*	1,219.0*	1,219.0*	1,219.0*	1,219.0*
SPECIAL FUND	572,068,778	611,492,030	646,017,306	660,079,001	681,107	711,580	760,394	796,126
	450,000	450,000	450,000	450,000	450	450	450	450
	945.52*	935.52*	947.52*	947.52*	947.5*	947.5*	947.5*	947.5*
OTHER FED. FUNDS	837,026,948	888,099,561	937,153,437	949,605,560	995,342	1,052,234	1,120,383	1,188,456
PRIVATE CONTRIB.	10,000	10,000	10,000	10,000	10	10	10	10
	*	*	*	*	*	*	*	*
TRUST FUNDS	14,008,563	14,008,563	14,008,563	14,008,563	14,008	14,008	14,008	14,008
	.50*	.50*	.50*	.50*	.5*	.5*	.5*	.5*
INTERDEPT. TRANSFER	32,435,577	34,431,063	43,430,874	44,706,209	44,373	45,591	53,680	55,129
	65.00*	72.00*	62.00*	62.00*	62.0*	62.0*	62.0*	62.0*
REVOLVING FUND	9,902,442	10,580,372	10,815,769	10,815,769	10,815	10,815	10,815	10,815
CAPITAL IMPROVEMENT COSTS								
PLANS	35,000	2,000	5,000					
DESIGN	3,174,000	738,000	1,705,000	2,460,000	500	500		
CONSTRUCTION	12,034,000	17,809,000	8,890,000	7,660,000	7,200	5,500		
EQUIPMENT	62,000							
TOTAL CAPITAL EXPENDITURES	15,305,000	18,549,000	10,600,000	10,120,000	7,700	6,000		
BY MEANS OF FINANCING								
G.O. BONDS	4,001,000	4,970,000	10,600,000	10,120,000	7,700	6,000		
OTHER FED. FUNDS	11,304,000	13,579,000						
TOTAL POSITIONS	2,209.00*	2,206.00*	2,229.00*	2,229.00*	2,229.00*	2,229.00*	2,229.00*	2,229.00*
TOTAL PROGRAM COST	1,481,207,308	1,577,620,589	1,662,485,949	1,689,795,102	1,753,805	1,840,688	1,959,740	2,064,994

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID: HMS201
PROGRAM STRUCTURE NO. 06020101

PROGRAM TITLE: TEMP ASSISTANCE TO NEEDY FAMILIES

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
CAPITAL IMPROVEMENT COSTS								
OTHER CURRENT EXPENSES	73,541,648	67,223,780	61,365,886	61,365,886	61,366	61,366	61,366	61,366
TOTAL OPERATING COST	73,541,648	67,223,780	61,365,886	61,365,886	61,366	61,366	61,366	61,366
BY MEANS OF FINANCING								
GENERAL FUND	17,699,544	17,003,411	11,145,517	11,145,517	11,146	11,146	11,146	11,146
OTHER FED. FUNDS	55,842,104	50,220,369	50,220,369	50,220,369	50,220	50,220	50,220	50,220
TOTAL POSITIONS	*	*	*	*	*	*	*	*
TOTAL PROGRAM COST	73,541,648	67,223,780	61,365,886	61,365,886	61,366	61,366	61,366	61,366

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-201

PROGRAM STRUCTURE NO: 06020101

PROGRAM TITLE: TEMP ASSISTANCE TO NEEDY FAMILIES

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % POTENTIALLY ELIG HOUSEHOLDS RECVG TANF ASST	93	93	93	93	93	93	93	93
2 % MANDAT HOUSEHOLDS MEETING TANF WORK PARTIC REQ	50	50	50	50	50	50	50	50
PROGRAM TARGET GROUPS								
1 POTENTIAL NO. OF HOUSEHOLDS ELIGIBLE FOR TANF	8784	8061	8061	8061	8061	8061	8061	8061
2 # OF MANDATORY WORK PARTICIPATION HOUSEHOLDS	4373	4373	4373	4373	4373	4373	4373	4373
PROGRAM ACTIVITIES								
1 AVER MONTHLY TANF PAYMENT PER CASE (HOUSEHOLD)	487	487	487	487	487	487	487	487
2 AVERAGE MONTHLY TANF CASELOAD	10157	10157	10157	10157	10157	10157	10157	10157
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	44,038	45,510	45,510	45,510	45,510	45,510	45,510	45,510
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	44,038	45,510	45,510	45,510	45,510	45,510	45,510	45,510
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	44,038	45,510	45,510	45,510	45,510	45,510	45,510	45,510
TOTAL PROGRAM REVENUES	44,038	45,510	45,510	45,510	45,510	45,510	45,510	45,510

Program Plan Narrative

HMS 201 Temporary Assistance to Needy Families

06 02 01 01

A. Statement of Program Objectives

To provide financial support, within federal and state appropriations, for maintenance and employment through direct monetary payments for food, clothing, shelter and other essentials to single adult families eligible under the Temporary Assistance to Needy Families (TANF) program. To encourage, support and maximize employment and employment resources.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The Department has projected reduced program payment requirements in FY 2006 and FY 2007. The number of people working and exiting the program continues to increase, resulting in a declining caseload. This is consistent with the department's State Plan for welfare reform.

FY 2006

- Transfer \$5,857,894 from HMS 201 to HMS 203 to help meet program expenditures.

FY 2007

- Transfer \$5,857,894 from HMS 201 to HMS 203 to help meet program expenditures.

The TANF program is an appropriate and required function of state government. The state is required to conduct the eligibility determination for this category to qualify for federal dollars.

C. Description of Activities Performed

1. Refer to HMS 236, Eligibility Determination and Employment Related Services, for description of staff activities performed in certifying eligibility of families for this program

2. Development of State Plan for receipt of federal funds.
3. Ensure conformity with state and federal statutes and regulations.
4. Assist and support employment and self-sufficiency.
5. Coordination with other agencies and departments to assist the self-sufficiency of our clients and to maximize resources while preventing duplication of services and benefits.

D. Statement of Key Policies Pursued

1. Assistance and support of employment and efforts towards self-sufficiency for those who are able to work.
2. Assistance and support for those with barriers to employment to lead towards self-sufficiency.
3. Protection and support of those who have been determined unable to support themselves.

E. Identification of Important Program Relationships

Relates closely to the Department's food stamp, medical, employment, child care and social services programs. This program is also closely related to the Department of Labor and Industrial Relations, Housing and Community Development Corporation of Hawaii, and the Department of Attorney General/Child Support Enforcement Agency.

F. Description of Major External Trends Affecting the Program

1. National welfare reform and the federal "block grant" as described in the "Personal Responsibility and Work Reconciliation Act" of 1996.

2. Act 300 passed by the 1996 Hawaii State Legislature.

G. Discussion of Cost, Effectiveness, and Program Size Data

1. FY 2004 actual expenditures were less than projected due to decreases in the caseload. This decrease is the result of increased employment, leading to higher earnings and eventual exit from the welfare rolls

2. Effectiveness is measured by:

Percentages of potentially eligible families receiving assistance. An estimated 93% of those eligible are currently receiving assistance and no change is anticipated. The number of mandatory work participation households meeting TANF work participation requirements.: The requirement increased to 50% in FY 2002; we expect to meet this rate. We have not yet received federal confirmation.

3. The Projected Target Groups are:

The potential number of households eligible for TANF.

The number of mandatory work participation households: the number declined in FY 2004. We expect this trend to continue through FY 2006 and stabilize in FY 2007. Employable adults are expected to continue to leave welfare.

4. The Projected Level of Program Activities is measured by the average monthly payment per case and the average monthly caseload. The Department is currently projecting that these measures will decrease slightly in FY 2006. The number of division employees provided intermediate level skill development training for the seasoned worker: the number increased in FY 2004, and we expect it to remain at this level.

The number of contracts processed for the division: the number is projected to increase.

H. Discussion of Program Revenues

The program receives federal funds from the Department of Health and Human Services, Administration for Children and Families. The TANF block grant allocation, which includes funds for administration and the welfare work program, is \$98,904,788.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID: HMS202
PROGRAM STRUCTURE NO. 06020102

PROGRAM TITLE: PAYMNTS TO ASSIST THE AGED, BLIND & DISA

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
CAPITAL IMPROVEMENT COSTS								
OTHER CURRENT EXPENSES	6,644,528	6,644,528	6,850,560	6,850,560	6,851	6,851	6,851	6,851
TOTAL OPERATING COST	6,644,528	6,644,528	6,850,560	6,850,560	6,851	6,851	6,851	6,851
BY MEANS OF FINANCING								
GENERAL FUND	6,644,528	6,644,528	6,850,560	6,850,560	6,851	6,851	6,851	6,851
TOTAL POSITIONS	*	*	*	*	*	*	*	*
TOTAL PROGRAM COST	6,644,528	6,644,528	6,850,560	6,850,560	6,851	6,851	6,851	6,851

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-202

PROGRAM STRUCTURE NO: 06020102

PROGRAM TITLE: PAYMNTS TO ASSIST THE AGED, BLIND & DISA

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % POTENTIALLY ELIG INDIV. RECVG STATE AABD BENEF	72	72	72	72	72	72	72	72
PROGRAM TARGET GROUPS								
1 # OF NEEDY AGED, BLIND & DISABLED STATE RESIDENTS	4481	4570	4570	4570	4570	4570	4570	4570
PROGRAM ACTIVITIES								
1 AVERAGE NUMBER STATE AABD RECIP PER MO	2213	2213	2213	2213	2213	2213	2213	2213
2 AVE MONTHLY PAYMENT PER STATE AABD RECIPIENT	244	244	244	244	244	244	244	244
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL								
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES								

Program Plan Narrative

HMS 202 Payments to Assist the Aged, Blind and Disabled

06 02 01 02

A. Statement of Program Objectives

To provide financial support, within state appropriations, through direct monetary payments for food, clothing, shelter and other essentials to individuals eligible under the federal Supplemental Security Income (SSI) and the State's Aid to the Aged, Blind, and Disabled (AABD) programs. To maximize federal reimbursements for these expenditures.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The department has projected increased program payment requirements for FY 2006 and FY 2007. We are requesting the transfer of general funds from HMS 204 to meet these expenditures:

FY 2006

- \$206,032 Transferred from HMS 204 to meet the needs of AABD recipients.

FY 2007

- \$206,032 Transferred from HMS 204 to meet the needs of AABD recipients.

C. Description of Activities Performed

1. Provision of the state administered interim assistance pending SSI eligibility.
2. Refer to HMS 236, Eligibility Determination and Employment Related Services, for activities performed in certifying persons for state supplemental payments.
3. Referring and advocating for federal benefits for aged, disabled or blind recipients of state benefits.

D. Statement of Key Policies Pursued

Compatibility with the SSI programs and streamlining of procedures: the department currently has contracts with medical providers and the Legal Aid Society of Hawaii to provide standard medical reviews, to help identify potential SSI eligible clients and to advocate for those the department feels are eligible for benefits.

E. Identification of Important Program Relationships

Relates closely with the Department's food stamp, medical and social service programs to prevent family and health breakdown and, most importantly, to assist families to maintain self-care.

F. Description of Major External Trends Affecting the Program

Establishment of the Americans with Disabilities Act.

Changes in federal SSI eligibility criteria, especially as promulgated by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

The change in Social Security Administration (SSA) rules that permits the SSA to disallow substance abuse as a disability.

The continuing increase in the aged population.

Actions of civil rights, welfare rights, and special interest groups to ensure adequate benefits for the aged, blind and disabled.

Cost-of-living increases in Social Security benefits.

G. Discussion of Cost, Effectiveness, and Program Size Data

1. We are projecting a slight increase in AABD expenditures in FY 2006 and FY 2007.

2. Effectiveness is measured by the percentages of potentially eligible individuals per month receiving AABD benefits. No change is anticipated. There are those who choose not to apply for various reasons.

3. The projected target group is the number of needy aged, blind and disabled state residents. This group reflects the proportion of aged population in the state.

4. The projected level of program activity is measured by:

The average monthly number of AABD recipients: we expect that to decrease slightly.

The average payment per recipient: the payment level increased in FY 2004; we are projected that it will further increase throughout the planning period.

H. Discussion of Program Revenues

AABD is a 100% State funded program.I.

Summary of Analysis Performed

None.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID: HMS203
PROGRAM STRUCTURE NO. 06020105

PROGRAM TITLE: TEMP ASSISTANCE TO OTHER NEEDY FAMILIES

PROGRAM EXPENDITURES	--IN DOLLARS--				--IN THOUSANDS--			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
CAPITAL IMPROVEMENT COSTS								
OTHER CURRENT EXPENSES	25,510,633	25,306,766	31,164,660	31,164,660	31,165	31,165	31,165	31,165
TOTAL OPERATING COST	25,510,633	25,306,766	31,164,660	31,164,660	31,165	31,165	31,165	31,165
BY MEANS OF FINANCING								
GENERAL FUND	25,510,633	25,306,766	31,164,660	31,164,660	31,165	31,165	31,165	31,165
TOTAL POSITIONS	25,510,633*	25,306,766*	31,164,660*	31,164,660*	31,165*	31,165*	31,165*	31,165*
TOTAL PROGRAM COST	25,510,633	25,306,766	31,164,660	31,164,660	31,165	31,165	31,165	31,165

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-203

PROGRAM STRUCTURE NO: 06020105

PROGRAM TITLE: TEMP ASSISTANCE TO OTHER NEEDY FAMILIES

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % OF POTENTIALLY ELIG HOUSEHOLDS RECVG TAONF ASST	93	93	93	93	93	93	93	93
PROGRAM TARGET GROUPS								
1 POTENTIAL # OF HOUSEHOLDS ELIGIBLE FOR TAONF	4262	4262	4262	4262	4262	4262	4262	4262
PROGRAM ACTIVITIES								
1 AVERAGE MONTHLY TAONF PAYMENT PER CASE	506	506	506	506	506	506	506	506
2 AVERAGE MONTHLY TAONF CASELOAD	3238	3158	3158	3158	3158	3158	3158	3158
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL								
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES								

Program Plan Narrative

HMS 203 Temporary Assistance to Other Needy Families

06 02 01 05

A. Statement of Program Objectives

To provide financial support, within state appropriations, for maintenance and employment through direct monetary payments for food, clothing, shelter and other essentials to families eligible under the Temporary Assistance to Other Needy Families (TAONF) program. To encourage, support and maximize employment and employment resources.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The Department has projected increased program payment requirements in FY 2006 and FY 2007. We plan to service our disabled adults through this program to meet employment requirements and Maintenance of Effort (MOE) requirements.

FY 2006

Transfer in \$5,857,894 from HMS 201 to HMS 203.

FY 2007

Transfer in \$5,857,894 from HMS 201 to HMS 203.

This program remains an appropriate function of state government because of the relationship with the federal TANF program.

C. Description of Activities Performed

1. Refer to HMS 236, Eligibility Determination and Employment Related Services, for description of staff activities performed in certifying eligibility of families for this program.
2. Ensure conformity with state and federal statutes and regulations.

3. Assist and support employment and self-sufficiency.

4. Coordination with other agencies and departments to assist the self-sufficiency of our clients and to maximize resources while preventing duplication of services and benefits.

D. Statement of Key Policies Pursued

1. Assistance and support of employment and efforts towards self sufficiency for those who are able to work.
2. Protection and support of those who have been determined unable to support themselves.
3. Assistance and support for those with barriers to employment to lead towards self-sufficiency.

E. Identification of Important Program Relationships

Relates closely to the Department's food stamp, medical, work, childcare and social services programs. This program is also closely related to the Department of Labor and Industrial Relations, the Department of Business, Economic Development, and Tourism/Housing and Community Development Corporation of Hawaii, and the Department of Attorney General/Child Support Enforcement Agency.

F. Description of Major External Trends Affecting the Program

1. National welfare reform and the federal "block grant" as described in the "Personal Responsibility and Work Reconciliation Act" of 1996.
2. Act 300 passed by the 1996 Hawaii State Legislature.

G. Discussion of Cost, Effectiveness, and Program Size Data

1. The TAONF program was established in FY 1998 and is modeled after the Temporary Assistance to Needy Families (TANF) block grant. Program costs are expected to increase as the population is redescribed to complement new federal regulations.

2. Effectiveness is measured by the percentage of potentially eligible families receiving assistance. An estimated 93% of those eligible are currently receiving assistance.

3. This group decreased in FY 2004 due to the Department's focus on employment, the sixty month time limit and an improving economy. We anticipate that this decrease will stop in 2006 as the population will be redescribed to complement anticipated new federal regulations..

4. The Projected Level of Program Activities is measured by:

Average monthly payment per case: this is the difference between the family's monthly income and the standard of assistance. We anticipate that this amount may increase throughout the planning period.

Average monthly caseload: we expect these numbers to increase due to the uncertainty caused by the pending changes to the federal TANF program.

H. Discussion of Program Revenues

TAONF is a 100% state funded program.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID: HMS204
 PROGRAM STRUCTURE NO. 06020103
 PROGRAM TITLE: GENERAL ASSISTANCE PAYMENTS

PROGRAM EXPENDITURES	--IN DOLLARS--				--IN THOUSANDS--			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
CAPITAL IMPROVEMENT COSTS								
OTHER CURRENT EXPENSES	21,911,632	21,711,632	15,664,891	15,664,891	15,665	15,665	15,665	15,665
TOTAL OPERATING COST	21,911,632	21,711,632	15,664,891	15,664,891	15,665	15,665	15,665	15,665
BY MEANS OF FINANCING								
GENERAL FUND	21,911,632	21,711,632	15,664,891	15,664,891	15,665	15,665	15,665	15,665
TOTAL POSITIONS	*	*	*	*	*	*	*	*
TOTAL PROGRAM COST	21,911,632	21,711,632	15,664,891	15,664,891	15,665	15,665	15,665	15,665

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-204

PROGRAM STRUCTURE NO: 06020103

PROGRAM TITLE: GENERAL ASSISTANCE PAYMENTS

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % OF POTENT ELIG CASES/SHLDS RECEIVING GA	89	89	89	89	89	89	89	89
PROGRAM TARGET GROUPS								
1 POTENTL # OF INDIVIDUALS ELIG FOR GA	4981	4981	4981	4981	4981	4981	4981	4981
PROGRAM ACTIVITIES								
1 AVERAGE MONTHLY PAYMENT PER GEN ASSISTANCE CASE	393	393	393	393	393	393	393	393
2 AVERAGE MONTHLY GENERAL ASSISTANCE CASELOAD	5000	5000	5000	5000	5000	5000	5000	5000
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL								
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES								

Program Plan Narrative

HMS 204 General Assistance Payments

06 02 01 03

A. Statement of Program Objectives

To provide financial support, within state appropriations, through direct monetary payments for food, clothing, shelter and other essentials to individuals eligible under the General Assistance (GA) program. To maximize federal reimbursement of these expenses and through a medical review process, to ensure that the moneys are being spent appropriately.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The Department is requesting a reduction of \$5,383,568 in the GA block grant in FY 2006 and FY 2007. Because of the increased focus on social security eligibility and the medical review board, no significant increase in the number of recipients is anticipated.

FY 2006

- \$5,177,536 to be transferred to HMS 230 for MedQuest fee for services shortfall
- \$206,032 to be transferred to HMS 202 for an anticipated shortfall

FY 2007

- \$5,177,536 to be transferred to HMS 230 for MedQuest fee for services shortfall
- \$206,032 to be transferred to HMS 202 for an anticipated shortfall

This is not a new program and remains an appropriate function of State Government. The coordination with the federally funded food stamp and medical programs is best achieved by maintaining the eligibility determination function within the Department.

C. Description of Activities Performed

Refer to HMS 236, Eligibility Determination, for description of activities performed in certifying eligibility of recipients for this program.

Development and implementation of programs in conformity with State and Federal statutes.

Pursuing federal funds for assistance to this population.

D. Statement of Key Policies Pursued

To assure that the needy meet the categorical qualifications of the State program and receive the correct amount of benefits.

Cost containment activities, program simplification and coordination with other programs.

To maximize federal reimbursements of these expenses through medical reviews, making referrals to and advocating with the Social Security Administration (SSA).

To assure that only the eligible receive benefits by standardizing the medical review process.

E. Identification of Important Program Relationships

Relates closely to the department's food stamp and medical assistance programs – the extent to which these programs supplement financial assistance and health care to maintain decency and health.

Relates closely to vocational rehabilitation services, employment training and placement services and self-sufficiency and support services.

Relates directly with the Social Security Administration, Supplemental Security Income (SSI) Program.

F. Description of Major External Trends Affecting the Program

This is a 100% state funded program. The extent to which state fiscal resources are available impacts the level of payment for basic living requirements.

Changes in SSI requirements: expansion or reduction of coverage in federal public assistance programs also affects program size and cost.

G. Discussion of Cost, Effectiveness, and Program Size Data

1. The General Assistance program cost is fixed by the block grant appropriation. Changes in the eligibility rules and other variables such as the condition of the State economy, the population, court suits and legislative appropriations affect the program size.
2. Program Effectiveness is measured by the percentage of eligible households receiving GA. Through medical reviews of recipients to disqualify those in non-compliance with program regulations, and by actively advocating on behalf of recipients we believe to be eligible for SSI benefits, the Department has been able to reduce the size of the GA target group in recent years.
3. The projected levels of program activities are measured by:
The average monthly payment per case: the Department adjusts the payment level to remain within the block grant appropriation.

We expect the caseload to level off at or near the FY 2005 level.

H. Discussion of Program Revenues

General Assistance is a 100% State funded program.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

PROGRAM ID: HMS206
 PROGRAM STRUCTURE NO. 06020104
 PROGRAM TITLE: FEDERAL ASSISTANCE PAYMENTS

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	-----IN DOLLARS-----				-----IN THOUSANDS-----			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
CAPITAL IMPROVEMENT COSTS								
OTHER CURRENT EXPENSES	1,809,458	2,035,806	2,035,806	2,035,806	2,036	2,036	2,036	2,036
TOTAL OPERATING COST	1,809,458	2,035,806	2,035,806	2,035,806	2,036	2,036	2,036	2,036
BY MEANS OF FINANCING								
OTHER FED. FUNDS	1,809,458	2,035,806	2,035,806	2,035,806	2,036	2,036	2,036	2,036
TOTAL POSITIONS	*	*	*	*	*	*	*	*
TOTAL PROGRAM COST	1,809,458	2,035,806	2,035,806	2,035,806	2,036	2,036	2,036	2,036

PROGRAM ID: **HMS-206**
 PROGRAM STRUCTURE NO: **06020104**
 PROGRAM TITLE: **FEDERAL ASSISTANCE PAYMENTS**

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % HSEHLS RECVG LIHEAP BENEFITS ON PUBLIC ASST	72	72	72	72	72	72	72	72
2 % HSEHLS REC LIHEAP BENEFITS NOT ON PUBL ASST	28	28	28	28	28	28	28	28
3 % HSEHLS ELIG FOR FD STMPs RECVG FOOD STAMPS	90	90	90	90	90	90	90	90
PROGRAM TARGET GROUPS								
1 POT # PUB ASST & FOOD STAMP HSHLDS ELIG FOR LIHEAP	45157	45158	45159	45160	45161	45162	45162	45162
2 POTENTIAL # HOUSEHOLDS ELIGIBLE FOR FOOD STAMPS	56628	56629	56630	56631	56632	56633	56633	56633
PROGRAM ACTIVITIES								
1 AV PAYMT PER HSHLD REC EN CRISIS INTERVENTN ASST	94	94	94	94	94	94	94	94
2 AV PAYMT PER HSHLD FOR ENERGY CREDIT	240	240	240	240	240	240	240	240
3 AV MON # OF HOUSEHOLDS RECEIVG FOOD STAMPS	50965	50965	50965	50965	50965	50965	50965	50965
4 AV MONTHLY FOOD STAMP PAYMENT PER CASE	247	247	247	247	247	247	247	247
5 # HSEHLS RECVG ENERGY CRISIS INTERVENTN ASST	484	484	484	484	484	484	484	484
6 # HOUSEHOLDS RECEIVING ENERGY CREDIT ASST	6200	6200	6200	6200	6200	6200	6200	6200
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126
TOTAL PROGRAM REVENUES	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126

Program Plan Narrative

HMS 206 Federal Assistance Payments

06 02 01 04

A. Statement of Program Objectives

To provide an improved standard of living by ensuring that food stamp and energy credits are provided to eligible households.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

These are not new programs and remain an appropriate function of State Government. The Energy Assistance Program contracts with the various Offices of Economic Opportunity on each island to receive and process applications. However, payment authorization and oversight is delegated to the Department in accordance with federal requirements. The Food Stamp Program mandates the Department's staff completes the eligibility determination function and authorize benefits.

C. Description of Activities Performed

1. Provides payments in the form of credits to utility accounts for households that meet income and categorical qualifications for the LIHEAP (Low Income High Energy Assistance Program).
2. Enables households to benefit from the federal Food Stamp Program. Refer to HMS 236, Eligibility Determination and Employment Related Services, for description of activities performed in certifying eligibility of families for this program. Ensures development and implementation of the program, policies and regulations in conformity with state and federal statutes

D. Statement of Key Policies Pursued

1. Adequacy of payment standard for energy assistance (electricity and gas) to maintain minimum adequate standard of living.
2. Adequacy of food stamp benefits to maintain adequate standard of living.
3. Equitable distribution of fiscal resources to needy families.

E. Identification of Important Program Relationships

Relates closely to the Department's Medical Assistance, Financial Assistance and Social Services programs in the effort to prevent family and health breakdown and help clients to attain self-sufficiency.

F. Description of Major External Trends Affecting the Program

Funding for the 100% federally funded LIHEAP is subject to reauthorization by Congress on an annual basis. Unlike the other ongoing assistance programs, LIHEAP and food stamp, funding is not open-ended. The Department receives a fixed allocation for LIHEAP and the benefits are determined by dividing this allocation by the number of energy credits claimed. The Food Stamp Program also receives a fixed federal allocation; the benefit standard is determined based on projected nationwide requirements. Should the expenditures exceed the projected level, the standard may be reduced during the fiscal year to remain within the allocation.

G. Discussion of Cost, Effectiveness, and Program Size Data

Changes in federal eligibility policies affecting applicants and recipients and federal funding have the greatest impact on the cost, effectiveness, and program size.

1. Effectiveness is measured by:

Percent of households receiving LIHEAP benefits on public assistance. Approximately 60% of the households are on public assistance.

Percent of households receiving LIHEAP not on public assistance is affected by the increase in income limits to 150% of the state's Poverty Index. Approximately 40% of the households are not on public assistance.

Percent of households eligible for food stamps receiving food stamps. Approximately 87% of these households receive assistance.

2. Target Group

Potential number of public assistance and food stamp only households eligible for LIHEAP benefits. These households may qualify for benefits if they all applied due to the increase in the income eligibility limit to 150% of the Poverty Index. The projected decrease in the number of households receiving food stamps and public assistance will decrease this number although the overall number of households receiving energy assistance is anticipated to increase. Potential number of households eligible for food stamps. The food stamp caseload has leveled off. However, on May 13, 2002, the President signed the Farm Security and Rural Investment Act of 2002, which reauthorized the program for 5 years. Among the major changes affecting the program is the partial restoration of eligibility to certain groups of immigrants.

3. Program Activities

Average payment per household receiving energy crisis intervention assistance: The average payment is expected to remain at less than \$100.

Average payment per household for energy credit: The average payment is expected to increase to \$261.

Average number of households receiving food stamps: Among the major changes affecting the program is the partial restoration of eligibility to certain groups of immigrants. The adoption of this change may increase the number of households receiving food stamps.

Average monthly food stamp payment per case: The monthly average payment is expected to increase slightly as the standards increase.

H. Discussion of Program Revenues

Both programs receive 100% Federal funds:

Energy Assistance:	Department of Health and Human Services, Administration for Children and Families
Food Stamps:	U. S. Department of Agriculture, Food and Nutrition Services

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

PROGRAM ID: HMS220
PROGRAM STRUCTURE NO. 06020201
PROGRAM TITLE: RENTAL HOUSING SERVICES

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	--IN DOLLARS--				--IN THOUSANDS--			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	221.00*	221.00*	223.00*	223.00*	223.0*	223.0*	223.0*	223.0*
PERSONAL SERVICES	10,227,877	10,367,212	11,110,633	11,110,633	11,111	11,111	11,111	11,111
OTHER CURRENT EXPENSES	36,800,359	36,800,359	36,377,578	36,377,578	36,378	36,378	36,378	36,378
EQUIPMENT	453,451	453,451	453,451	453,451	453	453	453	453
TOTAL OPERATING COST	47,481,687	47,621,022	47,941,662	47,941,662	47,942	47,942	47,942	47,942
BY MEANS OF FINANCING								
GENERAL FUND	1,007,337	1,007,337	584,556	584,556	585	585	585	585
	198.00*	198.00*	200.00*	200.00*	200.0*	200.0*	200.0*	200.0*
OTHER FED. FUNDS	42,721,188	42,862,343	43,457,921	43,457,921	43,458	43,458	43,458	43,458
	23.00*	23.00*	23.00*	23.00*	23.0*	23.0*	23.0*	23.0*
REVOLVING FUND	3,753,162	3,751,342	3,899,185	3,899,185	3,899	3,899	3,899	3,899
CAPITAL IMPROVEMENT COSTS								
DESIGN	761,000	600,000	500,000	460,000				
CONSTRUCTION	2,448,000	1,900,000	5,700,000	3,660,000	1,700			
TOTAL CAPITAL EXPENDITURES	3,209,000	2,500,000	6,200,000	4,120,000	1,700			
BY MEANS OF FINANCING								
G.O. BONDS	3,209,000	2,500,000	6,200,000	4,120,000	1,700			
TOTAL POSITIONS	221.00*	221.00*	223.00*	223.00*	223.00*	223.00*	223.00*	223.00*
TOTAL PROGRAM COST	50,690,687	50,121,022	54,141,662	52,061,662	49,642	47,942	47,942	47,942

PROGRAM ID: **HMS-220**
PROGRAM STRUCTURE NO: **06020201**
PROGRAM TITLE: **RENTAL HOUSING SERVICES**

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 PUB.HSG.AVG MONTHLY RENT PAYMENT \$	244	248	252	255	259	262	262	262
2 PUB. HSG. AVG. MO. INC. OF RESIDENTS-ELDERLY \$	883	909	936	965	993	1023	1023	1023
3 PUB. HSG. AVG. MO. INC. OF RESIDENTS-NON-ELDERLY	1061	1082	1104	1126	1149	1172	1172	1172
4 PUB. HSG AVG MO. TURNOVER RATE OF HSG. UNITS	85	85	85	85	85	85	85	85
5 NUMBER OF HOUSEHOLDS WITH INCOME BASED ON WAGES	2358	2358	2358	2358	2358	2358	2358	2358
6 FED GRADING SYSTEM FOR PUBLIC HOUSING AGENCIES	85	85	85	85	85	85	85	85

PROGRAM TARGET GROUPS

1 AV # PUB HSG APPLICANTS ON WAITNG LIST PER MONTH	9000	9000	9000	9000	9000	9000	9000	9000
2 AVG # HOUSEHOLDS APPLYG FOR PUB HSG PER MONTH	250	250	250	250	250	250	250	250
3 TOTAL NUMBER OF PUB HOUSING DWELLING UNITS	6271	6271	6271	6271	6271	6271	6271	6271
4 AVG NO OF OCCPD PUB HSG DWELLING UNITS PER MONTH	5895	5895	5895	5895	5895	5895	5895	5895

PROGRAM ACTIVITIES

1 TTL NEW & REACTIVATED PUB HSG APPLCTNS PROCESSED	5100	5100	5100	5100	5100	5100	5100	5100
2 NO. OF ELIGIBILITY RE-EXAMINATIONS (PUB HSG)	5895	5895	5895	5895	6182	6182	6182	6182
3 #APPLICANTS DETERMINED TO BE INELIG FOR ASSISTANCE	200	200	200	200	200	200	200	200
4 AV # HOUSEHLDs PLACED IN PUBLIC HSG PER MONTH	30	30	30	30	30	30	30	30

PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):

TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY	15,752	15,752	15,752	15,752	15,752	15,752	15,752	15,752
REVENUE FROM OTHER AGENCIES: FEDERAL	29,472	28,900	28,900	28,900	28,900	28,900	28,900	28,900
ALL OTHER								
CHARGES FOR CURRENT SERVICES	680	680	680	680	680	680	680	680
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	45,904	45,332	45,332	45,332	45,332	45,332	45,332	45,332

PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):

ALL OTHER FUNDS	3,032	3,032	3,032	3,032	3,032	3,032	3,032	3,032
SPECIAL FUNDS	42,872	42,300	42,300	42,300	42,300	42,300	42,300	42,300
TOTAL PROGRAM REVENUES	45,904	45,332	45,332	45,332	45,332	45,332	45,332	45,332

A. Statement of Program Objectives

To ensure the availability of adequate housing for low income families, by providing public rental housing facilities and opportunities for self-sufficiency at a reasonable cost.

B. Description of Request and Compliance with Section 37-68 (1) (A) (B)

The budget request for the FY 2005-07 reflects a two year budget approach based on funding levels approved for the FY 2005 with adjustment to:

(1) Restore positions authorized by Act 154, SLH 2004, to the Budget Bill.

(2) Authorize new positions and funds to address management and operational issues raised by the U.S. Department of Housing and Urban Development.

(3) Appropriate Capital Improvement Project funds to address cesspool conversions.

C. Description of Activities Performed

Under the public housing program, the Housing and Community Development Corporation of Hawaii (HCDCH) is responsible for developing new public housing projects, determining eligibility requirements and rental rates, processing applications and maintaining the rental property at an acceptable standard.

Of the 6,409 units presently in operation, 5,363 are conventional low-income Federal-assisted units, 8 are units transferred from the Department of Transportation, 864 are state-owned public housing units, and 174 are state-owned Section 8 rental units.

D. Statement of Key Policies Pursued

The HCDCH pursues the mission of the Hawaii State Plan, including following Policy B (1) to finance and develop rental housing projects; Policy C (1) to effectively use public resources to provide rental housing projects for elderly and handicapped persons; Policy C (2) to convert existing buildings to housing for the increased use of alternative living arrangements for homeless persons and families to enable them to achieve greater independence and stability; Policy C (7) to integrate special needs housing in new and existing neighborhoods; Policy D (1) to ensure proper and timely maintenance of current public housing stock; and Policy D (3) to preserve the inventory of federally subsidized below-market housing projects.

With the aging of the rental properties, the increasing need for supportive services by tenants and the desire for economic improvement of tenants, the HCDCH's emphasis has been directed to a comprehensive approach to management. The HCDCH has been successful in obtaining various federal grants in its continuing efforts to establish improved and innovative management techniques.

E. Identification of Important Program Relationships

To ensure continued availability of federal funds for low income public housing programs, the HCDCH has established and maintains a close working relationship with HUD.

The integration of state and federal resources and the coordination of program activities help to prevent the duplication of housing efforts and ensure the efficient use of program resources.

F. Description of Major External Trends Affecting the Program

There are three major external trends affecting the program:

1. The Federal government emphasis has been the promotion of the Section 8 Housing Payment Programs over new construction of public housing units.
2. Hawaii's limited rental housing stock in the private rental market and the growing population have resulted in higher rental housing cost. This creates an increased demand for public housing.
3. The HCDCH has been placed under a U.S. Housing and Urban Development Corrective Action Order and Memorandum of Agreement. These agreements require the HCDCH to meet specific program targets measures by certain dates.

G. Discussion of Cost, Effectiveness, and Program Size Data

The anticipated size and scope of the program are not, to any degree, different from past years. Current emphasis is on improving the existing program. A review of the program shows no significant discrepancies in the planned cost, the effectiveness of the program, program size and actual achievements.

H. Discussion of Program Revenue

The operating funds for the Rental Housing Services Programs are generated from rental revenue and operating subsidies from the federal and state government. The HCDCH is faced with increasing fiscal problems associated with the aging of its physical plants. Rental revenues have remained at a relatively constant rate over the years while operating costs have increased exponentially.

I. Summary of Analysis Performed

None.

J. Further Consideration

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID: HMS222
 PROGRAM STRUCTURE NO. 06020207
 PROGRAM TITLE: RENTAL ASSISTANCE SERVICES

PROGRAM EXPENDITURES	--IN DOLLARS--				--IN THOUSANDS--			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	17.00*	17.00*	17.00*	17.00*	17.0*	17.0*	17.0*	17.0*
PERSONAL SERVICES	1,449,836	1,511,706	1,672,372	1,672,372	1,672	1,672	1,672	1,672
OTHER CURRENT EXPENSES	25,141,809	25,515,203	25,141,809	25,141,809	25,142	25,142	25,142	25,142
TOTAL OPERATING COST	26,591,645	27,026,909	26,814,181	26,814,181	26,814	26,814	26,814	26,814
=====								
BY MEANS OF FINANCING								
GENERAL FUND	5.25*	5.25*	5.25*	5.25*	5.2*	5.2*	5.2*	5.2*
	1,206,883	1,590,954	1,236,941	1,236,941	1,237	1,237	1,237	1,237
OTHER FED. FUNDS	11.75*	11.75*	11.75*	11.75*	11.8*	11.8*	11.8*	11.8*
	25,384,762	25,435,955	25,577,240	25,577,240	25,577	25,577	25,577	25,577
TOTAL POSITIONS	17.00*	17.00*	17.00*	17.00*	17.00*	17.00*	17.00*	17.00*
TOTAL PROGRAM COST	26,591,645	27,026,909	26,814,181	26,814,181	26,814	26,814	26,814	26,814
=====								

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-222

PROGRAM STRUCTURE NO: 06020207

PROGRAM TITLE: RENTAL ASSISTANCE SERVICES

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 STATE HSG-AV MON GROSS RENT FOR RENT SUPPL RECIPS	542	542	542	542	542	542	542	542
2 STATE HSG-AVE MONTHLY RENT SUPPLEMENT PAYMENT	136	136	136	136	136	136	136	136
3 AVE MNTH INC OF RENT SUPP RECIPIENTS (ELDERLY)	1074	1074	1074	1074	1074	1074	1074	1074
4 AVE MNTH INC OF RENT SUPP RECIPIENTS (NON-ELDERLY)								
5 FUND UTILIZATION PERCENTAGE	96	96	96	96	96	96	96	96
6 FED GRADG SYS FOR PUB HSG AGENCIES (SECT 8,SEMAP)	75	75	75	75	75	75	75	75

PROGRAM TARGET GROUPS

1 # OFAPPLICANTS ON FED & STATE SUBSIDY WAIT LISTS	4000	2000	2000	2000	2000	2000	2000	2000
2 #APPLICATNS RECVD PER YR FOR FED & STATE SUB ASST	6000	2000	2000	2000	2000	2000	2000	2000
3 AVE # OF RENT SUPPL & SECTION 8 APPS PER MONTH	500	500	500	500	500	500	500	500

PROGRAM ACTIVITIES

1 TOTAL # NEW & REACTIV RENT SUP & SEC 8 APPS PROCS	500	500	500	500	500	500	500	500
2 # ELIG RE-EXAMINATIONS (RENT SUPPL & SECTION 8)	628	628	628	628	628	628	628	628
3 ANN # LEASE UPS INTO RENT SUPPL & SECTION 8 PROGS								
4 # OF UNITS INSPECTED (RENT SUPPLMT & SECTION 8)	2000	2000	2000	2000	2000	2000	2000	2000

PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):

TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000

PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):

SPECIAL FUNDS	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
TOTAL PROGRAM REVENUES	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000

- A. Statement of Program Objectives
To facilitate the use of private rental housing for low income families, by supplementing their rental payments.
- B. Description of Request and Compliance with Section 37-68 (1) (A) (B)
The budget request for the FY 2005-07 reflects a two year budget approach based on funding levels approved for the FY 2005.
- C. Description of Activities Performed
This program administers both the Federal Section 8 Program and the State Rent Supplement Program. Under these programs, rental units in the private sector are utilized, and rental assistance payments are made directly to participating landlords. The program currently administers approximately 3,872 units. There are 3,058 federally funded vouchers and 405 state funded units.
- D. Statement of Key Policies Pursued
The Housing and Community Development Corporation of Hawaii (HCDCH) pursues the mission of the Hawaii State Housing Functional Plan, including following Policy B (2) to encourage increased private sector participation of affordable rental housing, and Policy B (4) to fully utilize rental subsidy programs funded by the Federal, State or county government.
- E. Identification of Important Program Relationships
To ensure the successful implementation of the rental assistance programs, the HCDCH has established and maintains a working relationship with HUD, City and County Section 8 Program, and landlords in the private market.
- F. Description of Major External Trends Affecting the Program
There are three major external trends affecting the demand for rental assistance.
1. The limited supply of public housing units and a growing demand for affordable rental housing increase the demand for rental assistance.
 2. Hawaii's limited rental housing stock in the private rental market and the growing population result in higher rental housing costs and increased demand for rental assistance.
 3. Congress has revised the funding of the Section 8 Program, limiting the expansion of the program.
- G. Discussion of Cost, Effectiveness, and Program Size Data
A review of the program shows no significant changes in the planned cost, effectiveness, or program size and actual achievements.
- In the Rent Supplement Program, continuous efforts will be made to increase the number of participating families to the maximum program size.
- H. Discussion of Program Revenue
The operating funds for the Rental Assistance Services Programs are received as Section 8 subsidies from the federal government and Rent Supplement funds from General Fund appropriations.
- I. Summary of Analysis Performed
None.
- J. Further Consideration
None.

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OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID: HMS223
 PROGRAM STRUCTURE NO. 06020205
 PROGRAM TITLE: BROADENED HOMESITE OWNERSHIP

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	*	*	*	*	*	*	*	*
PERSONAL SERVICES	164,272	194,312	157,973	157,973	158	158	158	158
OTHER CURRENT EXPENSES	53,500	53,500	53,500	53,500	53	53	53	53
TOTAL OPERATING COST	217,772	247,812	211,473	211,473	211	211	211	211
BY MEANS OF FINANCING								
REVOLVING FUND	217,772	247,812	211,473	211,473	211	211	211	211
TOTAL POSITIONS	*	*	*	*	*	*	*	*
TOTAL PROGRAM COST	217,772	247,812	211,473	211,473	211	211	211	211

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-223
 PROGRAM STRUCTURE NO: 06020205
 PROGRAM TITLE: BROADENED HOMESITE OWNERSHIP

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 NO. OF LOTS DESIGNATED FOR CONVERSION; TOTAL	1	1	1	1	1	1	1	1
2 NO. OF LOTS DESIGNATED FOR CONVERSION; VOLUNTARY	1	1	1	1	1	1	1	1
3 NO. OF LOTS DESIGNATED FOR CONVERSION; INVOLUNTARY	0	0	0	0	0	0	0	0
4 NO. OF LOTS CONVERTED; TOTAL	1	1	1	1	1	1	1	1
5 NO. OF APCNTS FOR ARBITRATION OF LEASE RENT RENEGO	1	1	1	1	1	1	1	1
6 NO. OF COMPLETED ARBITRATIONS	1	1	1	1	1	1	1	1

PROGRAM TARGET GROUPS

1 #QUAL LESSEES IN DESIG TRACTS VS #ELIG FOR CONVRSN	1	1	1	1	1	1	1	1
2 # LEASES QUALFD FOR ARBITRN VS # ELIG FOR ARBITRN	3	2	1	1	1	1	1	1

PROGRAM ACTIVITIES

1 NO. OF APPLICATION RECEIVED, TOTAL	1	1	1	1	1	1	1	1
2 NO. OF APPLICATIONS IN PROCESS FOR DESIGNATION	1	1	1	1	1	1	1	1
3 TOTAL NO. OF APPLICANTS RECEIVED FOR ARBITRATION	1	1	1	1	1	1	1	1
4 # APPL IN PRCS FOR LSE RNT RENEGO ARBITRATION	1	1	1	1	1	1	1	1

PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):

TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY	40	40	40	40	40	40	40	40
REVENUE FROM OTHER AGENCIES: FEDERAL								
ALL OTHER								
CHARGES FOR CURRENT SERVICES	55	55	55	55	55	55	55	55
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	95	95	95	95	95	95	95	95

PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):

ALL OTHER FUNDS	95	95	95	95	95	95	95	95
TOTAL PROGRAM REVENUES	95	95	95	95	95	95	95	95

- A. Statement of Program Objectives
To assist in increasing the number and proportion of homesites owned in fee simple title, and to facilitate the arbitration of lease rent renegotiations in single family residential lots and cooperative housing corporations.
- B. Description of Request and Compliance with Section 37-68 (1) (A) (B)
None
- C. Description of Activities Performed
The major activities are advising and assisting lessee groups in organizing to petition the Housing and Development Corporation of Hawaii (HCDCH), negotiating with the landowners, acquiring the leased fee interest of property by either friendly or contested condemnation, and selling the leased fee interest to the lessees. Other major activities include assisting Lessors and Lessees with the renegotiation of lease rents through arbitration and providing program information.
- D. Statement of Key Policies Pursued
The Broadened Homesite Ownership program has been pursuing a policy of acting as a "catalyst" to bring lessees and lessors together and where agreement cannot be reached, proceeding to condemnation by relying on the lessees' proof of ability to purchase or to arbitration when lease rents need to be negotiated.
- E. Identification of Important Program Relationships
There are no interrelated relationships to other government programs.
- F. Description of Major External Trends Affecting the Program
The major estates have changed their policy and are now selling their land in fee simple with the major question being one of price. Focus for the program in recent years has been on facilitating negotiations for settlement of valuation issues.
- G. Discussion of Cost, Effectiveness and Program Size Data

Due to the success of the program (many have purchased their leased fee interest), there are currently no active participants in the lease to fee conversion program and decreasing numbers in the lease rent arbitration program. There are approximately 1,300 remaining leasehold lots that possibly could qualify to participate in the programs. At this time, settlements with the Lessor outweighs the costs of participating in the lease to fee conversion program, and, no applications were received in the past fiscal year. A decision as to the need for this program may be necessary.

- H. Discussion of Program Revenue
With the passage of SB 1018 (Act 60 SLH 2001) indirect administrative costs, previously assessed participating lessees, will be absorbed by the Program. Only direct costs will be assessed the program participants. To ensure recovery of expended costs and fees, regular, periodic earnest money deposits will be requested of program participants. Due to the reduced program activity, general fund appropriations may be required to continue the program.
- I. Summary of Analysis Performed
None
- J. Further Consideration
None.

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PROGRAM ID: HMS224
PROGRAM STRUCTURE NO. 06020208
PROGRAM TITLE: HOMELESS SERVICES

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	4.00*	4.00*	4.00*	4.00*	4.0*	4.0*	4.0*	4.0*
PERSONAL SERVICES	308,532	361,544	375,563	375,563	376	376	376	376
OTHER CURRENT EXPENSES	5,910,215	5,910,215	7,560,215	7,560,215	7,560	7,560	7,560	7,560
TOTAL OPERATING COST	6,218,747	6,271,759	7,935,778	7,935,778	7,936	7,936	7,936	7,936
=====								
BY MEANS OF FINANCING								
GENERAL FUND	4.00*	4.00*	4.00*	4.00*	4.0*	4.0*	4.0*	4.0*
OTHER FED. FUNDS	4,849,639	4,902,651	6,566,670	6,566,670	6,567	6,567	6,567	6,567
	1,369,108	1,369,108	1,369,108	1,369,108	1,369	1,369	1,369	1,369
CAPITAL IMPROVEMENT COSTS								
CONSTRUCTION	2,000							
EQUIPMENT	62,000							
TOTAL CAPITAL EXPENDITURES	64,000							
=====								
BY MEANS OF FINANCING								
G.O. BONDS	64,000							
TOTAL POSITIONS	4.00*	4.00*	4.00*	4.00*	4.00*	4.00*	4.00*	4.00*
TOTAL PROGRAM COST	6,282,747	6,271,759	7,935,778	7,935,778	7,936	7,936	7,936	7,936
=====								

PROGRAM ID: HMS-224
 PROGRAM STRUCTURE NO: 06020208
 PROGRAM TITLE: HOMELESS SERVICES

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 CLNTS TRANST TO PERM HSG TRU OUTRCH & STPND PRG	2040	2040	2100	2100	2100	2100	2100	2100
2 # PERSONS GET/KEEP HSG THRU STATE GRANT PROG	675	675	675	675	675	675	675	675
PROGRAM TARGET GROUPS								
1 # UNUP CLNTS SERVD BY OUTRCH HMLS PROVIDER AENCS	6600	6600	6600	6600	6600	6600	6600	6600
2 # UNUP CLNTS SERVD BY EMERG & TRNSTNL HMLS SHLTR	6700	6700	6750	6750	6750	6750	6750	6750
3 # APPLICANTS FOR STATE HOMELESS GRANTS	525	525	600	600	600	600	600	600
PROGRAM ACTIVITIES								
1 # ENCOUNTERS BY OUTREACH PROVIDER AGENCIES	34200	34200	35000	35000	35000	35000	35000	35000
2 # CLIENT NIGHTS PROVIDED BY EMERGENCY SHELTERS	149900	149900	150000	150000	150000	150000	150000	150000
3 # CLIENT NIGHTS PROVIDED BY TRANSITIONAL SHELTERS	409400	409400	410000	410000	410000	410000	410000	410000
4 # CLIENT CASE PLANS DEVELOPED FOR STIPEND PROGRAM	4200	4200	4300	4300	4300	4300	4300	4300
5 #CLIENT INTAKES COMPLETD FOR OUTREACH & STIP PROG	6200	6200	6300	6300	6300	6300	6300	6300
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL								
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES								

- A. Statement of Program Objectives
To comprehensively address the needs of the homeless in Hawaii and to provide the opportunity for homeless people to help themselves by achieving improved permanent living situations.
- B. Description of Request and Compliance with Section 37-68 (1) (A) (B)
The budget request for the FY 2005-07 reflects a two year budget approach based on funding levels approved for the FY 2005 with adjustment to:
- (1) Increase the appropriation by \$1,650,000 for both years of the fiscal biennium. This increase will allow the program to address the increased number of homeless through the Stipend, Outreach and Grant Programs.
- C. Description of Activities Performed
The Homeless Program, directed by the Housing and Community Development Corporation of Hawaii (HCDCH), currently consists of three basic components: development of transitional facilities, provision of shelter and social services, and the management of state owned shelters. In addition to these components, the HCDCH provides the overall administrative policy direction for the homeless programs, including the establishment and amendment of the administrative rules governing the programs and implementation of the State's Continuum of Care.
- D. Statement of Key Policies Pursued
Policy C(4) of the Hawaii State Plan on housing directs the provision of a continuum of housing for homeless persons and families to enable them to achieve greater independence. Policy C(5) calls for the provision of improved support services for the homeless population and other special needs groups.
- E. Identification of Important Program Relationships
The Homeless Program depends on private service providers and private shelter management to address the needs of the homeless in a coordinated way with geographic accessibility throughout the State. The Homeless Program also integrates federal grant resources with state resources to provide a continuum of care.
- F. Description of Major External Trends Affecting the Program
There are three major external trends affecting the Homeless Program.
1. Hawaii's limited rental housing stock and the growing population result in higher rental housing cost. Lack of affordable housing choices creates an increase in the homeless population (both unsheltered and at-risk) and a higher demand for homeless programs and services.
 2. Reduction of assistance through the Welfare Reform Act is expected to create an increase in the homeless population and a higher demand for homeless programs and services.
 3. The Homeless Program has consistently been the bottom rung of the ladder for those who have fallen through the safety nets of the welfare, mental health, substance abuse and public safety systems. Homelessness is the resulting condition of Hawaii's most vulnerable and merely serves to exacerbate their vulnerability.
- G. Discussion of Cost, Effectiveness, and Program Size Data
The program's ability to meet the needs of the growing homeless population has been limited by lack of resources. Homeless programs and services for individuals with special needs, such as those with mental disability and substance abuse problems, have been especially limited. However in FY 2004, the program served 13,774 unduplicated homeless persons and transitioned 1,576 persons into permanent housing.

H. Discussion of Program Revenue

There are no revenues specifically generated from this program.

I. Summary of Analysis Performed

In August 2003, all four counties, the Department of Hawaiian Home Lands and the State jointly funded a homeless needs assessment to provide a profile of homeless needs, demographics and numbers. The methodology used was derived from federal guidelines for a point-in-time count. The study revealed 6,029 homeless individuals counted statewide at a point-in-time in August 2003. Additionally, there were 228,449 hidden homeless and 155,058 homeless at-risk in the State of Hawaii.

J. Further Consideration

In connection with the closure and subsequent redevelopment of the Barbers Point Naval Air Station, Oahu, HCDCH has renovated three building on 13 acres of land set aside for homeless use. Two buildings are fully functioning as transitional housing for the homeless, providing a full spectrum of shelter and services at Barbers Point to help the homeless progress towards self-sufficiency. The third building is used as a Club House for job training.

Additionally, the State of Hawaii has adopted the national homeless agenda to end chronic homelessness in 10 years. The interagency collaboration on the state and county level has begun and a strategic plan has been developed to integrate services to prevent homelessness and develop supportive housing. Coordinated effort, collaboration and resource-sharing are key components of the plan.

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID: HMS225
 PROGRAM STRUCTURE NO. 06020204
 PROGRAM TITLE: PRIVATE HOUSING DEVELOPMENT & OWNERSHIP

PROGRAM EXPENDITURES	-IN DOLLARS-				-IN THOUSANDS-			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	22.00*	28.00*	18.00*	18.00*	18.0*	18.0*	18.0*	18.0*
PERSONAL SERVICES	2,586,519	3,017,987	3,121,382	3,121,382	3,121	3,121	3,121	3,121
OTHER CURRENT EXPENSES	436,437	436,437	436,437	436,437	436	436	436	436
TOTAL OPERATING COST	3,022,956	3,454,424	3,557,819	3,557,819	3,557	3,557	3,557	3,557
BY MEANS OF FINANCING								
OTHER FED. FUNDS	11.00*	10.00*	10.00*	10.00*	10.0*	10.0*	10.0*	10.0*
	1,382,073	1,463,029	1,594,370	1,594,370	1,594	1,594	1,594	1,594
REVOLVING FUND	11.00*	18.00*	8.00*	8.00*	8.0*	8.0*	8.0*	8.0*
	1,640,883	1,991,395	1,963,449	1,963,449	1,963	1,963	1,963	1,963
TOTAL POSITIONS	22.00*	28.00*	18.00*	18.00*	18.00*	18.00*	18.00*	18.00*
TOTAL PROGRAM COST	3,022,956	3,454,424	3,557,819	3,557,819	3,557	3,557	3,557	3,557

PROGRAM ID: HMS-225
PROGRAM STRUCTURE NO: 06020204
PROGRAM TITLE: PRIVATE HOUSING DEVELOPMENT & OWNERSHIP

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 NUMBER OF COMPLETED UNITS FOR SALE	166	485	350	349	0	0	0	0
2 NUMBER OF COMPLETED RENTAL UNITS	140	156	144	0	0	0	0	0
3 NUMBER OF RENOVATED UNITS								
4 AVG SELLING PRICE AS % OF RETL PRICE FOR COMP UNIT	85	85	85	85	85	85	85	85
5 AVG RENT AS % AV RENTAL OF COMPARABLE DWELLG UNIT								
PROGRAM TARGET GROUPS								
1 APPLCNT HOUSEHOLDS EARNING < 50% OF MEDIAN INC	216	84	84	84	84	84	84	84
2 APPLCNT HOUSEHOLDS EARNING BETW 50%-80% OF MED INC	216	84	84	84	84	84	84	84
3 APPLCNT HOUSEHOLDS EARNNG BETW 80%-100% OF MED INC	0	164	164	164	164	164	164	164
4 APPLCNT HOUSEHOLDS EARNING BETW 100%-120% MED INC	0	164	164	164	164	164	164	164
PROGRAM ACTIVITIES								
1 AMOUNT OF DEVELOPMENT LOANS MADE	0	0	0	0	0	0	0	0
2 NO.OF SNGL FAM.DWELLNG UNITS PLANND FOR CONSTRCTN	166	485	350	349	0	0	0	0
3 NO.OF MULTI-FAM.DWELLNG UNITS PLANND FOR CONSTRCTN	144	5	5	5	5	5	5	5
4 #UNITS PLND FOR CONST/REHAB IN CAP FUND PRGM (FED)	5	6	6	6	6	6	6	6
5 #UNITS PLANNED IN CAPITAL IMPRVMT PROG (STATE)	13	12	12	12	12	12	12	12
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY	1,423	1,232	1,232	1,232	1,232	1,232	1,232	1,232
REVENUE FROM OTHER AGENCIES: FEDERAL								
ALL OTHER								
CHARGES FOR CURRENT SERVICES	27,995	53,092	17,583					
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS	20,169	10,140	140	140	140	140	140	140
TOTAL PROGRAM REVENUES	49,587	64,464	18,955	1,372	1,372	1,372	1,372	1,372
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
GENERAL FUND								
ALL OTHER FUNDS	49,587	64,464	18,955	1,372	1,372	1,372	1,372	1,372
TOTAL PROGRAM REVENUES	49,587	64,464	18,955	1,372	1,372	1,372	1,372	1,372

A. Statement of Program Objectives

To provide development, construction management, and technical assistance to increase housing opportunities for our target groups through development of housing for rental and for sale, community redevelopment, and the maintenance and improvement of existing facilities.

B. Description of Request and Compliance with Section 37-68 (1) (A) (B)4

The budget request for the FB 2005-07 reflects a two year budget approach based on funding levels approved for the FY 2005 with adjustment to:

(1) Restore positions authorized by Act 154, SLH 2004, to the Budget Bill.

C. Description of Activities Performed

1. Conduct discussions with builders, developers and government agencies concerning proposals for housing developments.
Issue Request for Proposals and/or plans and specifications for bidding.
2. Evaluate the financial, geographical, marketing and development aspects of each proposal.
3. Recommend approval/disapproval of proposals.
4. Identify private and State non-ceded lands suitable for the development of affordable housing.
5. Coordinate and conduct periodic physical needs assessments of existing federal facilities.
6. Construction administration of all project phases for modernization, capital improvement, repair/maintenance and hazardous material

abatement work to ensure full compliance with all applicable federal, state and local laws.

7. Direct and oversee the work of architecture/engineering consultants in preparation of project plans and specifications.
8. Provide architectural, engineering and inspection services for the Corporation's projects.
9. Formulate operations and maintenance standards and develop specifications for contractual services for specialized equipment.
10. Administer HCDCH's Asbestos Management Program and hazardous material related projects.

D. Statement of Key Policies Pursued

1. To assist and facilitate the development of projects that are consistent with the Governor's blueprint for affordable housing.
2. To provide affordable for sale and rental housing, for moderate to low income, elderly, and special need segments of Hawaii's population.
3. To develop projects to meet the needs of HCDCH's target group families.
4. To provide construction financing.
5. To pursue methods of construction, design of units, and other means of reducing housing costs.

6. To pursue and coordinate with federal, state and county agencies for funds regarding administration and funding of development and modernization programs.
7. To establish standards for project design and construction.

E. Identification of Important Program Relationships

1. Relationship between our State housing and county programs, various Federal housing programs and private housing programs.
2. Relationship between State housing program and private industries' production of low- and moderate-income housing.
3. Relationship between our State hazardous materials programs and various Federal, State and County programs.
4. Relationship between our State housing and Federal, State and County regulated systems programs (e.g., elevators, sewage treatment plants, boilers, pressure vessels, and other systems requiring operating permits and compliance inspections).

F. Description of Major External Trends Affecting the Program

These programs are affected by inflationary and military housing trends that are causing major increases in construction costs and available work forces as well as housing market trends that affect the cost of units. Lack of suitable land with proper infrastructure is a major concern affecting the delivery of affordable housing to our target group families. Strong community reaction frequently delays projects, thereby causing increases in costs and, at times, stopping projects altogether. These programs are also affected by Federal housing policies that change programs frequently and by the lack of suitable infrastructure throughout the State's counties.

G. Discussion of Cost, Effectiveness and Program Size Data

These programs have been effective in producing, maintaining and modernizing units within the income range of target group families. However, due to decreasing funds and increasing infrastructure and housing costs (labor, land, financing, and materials), all programs are facing difficult budget and feasibility decisions. Modernization and maintenance programs must focus primarily on identified health and safety hazards as funds cannot extend to include preventive maintenance. The development of units for purchase by low- and moderate-income families is also facing obstacles as development costs continue to "outstrip" increases in family income. Although current mortgage rates are low, housing prices are an all time high.

The program size data are units made available to the low- and moderate-income families. The effectiveness of the program is also influenced by the lack of funding, especially the "gap" and or permanent "take out" financing.

H. Discussion of Program Revenue

Revenues to fund operating expenses are transferred from the Dwelling Unit Revolving Fund of Chapter 201-G which permits HCDCH to fund infrastructure cost, make project construction loans, and to cover such programs' administrative and operating costs.

I. Summary of Analysis Performed

None.

J. Further Consideration

None.

PROGRAM ID: HMS227
 PROGRAM STRUCTURE NO. 06020206
 PROGRAM TITLE: HOUSING FINANCE

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	11.00*	11.00*	11.00*	11.00*	11.0*	11.0*	11.0*	11.0*
PERSONAL SERVICES	1,142,268	1,315,022	1,359,711	1,359,711	1,360	1,360	1,360	1,360
OTHER CURRENT EXPENSES	3,124,800	3,124,800	3,124,800	3,124,800	3,125	3,125	3,125	3,125
TOTAL OPERATING COST	4,267,068	4,439,822	4,484,511	4,484,511	4,485	4,485	4,485	4,485
=====								
BY MEANS OF FINANCING								
OTHER FED. FUNDS	3,000,000	3,000,000	3,000,000	3,000,000	3,000	3,000	3,000	3,000
	11.00*	11.00*	11.00*	11.00*	11.0*	11.0*	11.0*	11.0*
REVOLVING FUND	1,267,068	1,439,822	1,484,511	1,484,511	1,485	1,485	1,485	1,485
TOTAL POSITIONS	11.00*	11.00*	11.00*	11.00*	11.00*	11.00*	11.00*	11.00*
TOTAL PROGRAM COST	4,267,068	4,439,822	4,484,511	4,484,511	4,485	4,485	4,485	4,485
=====								

PROGRAM ID: HMS-227
PROGRAM STRUCTURE NO: 06020206
PROGRAM TITLE: HOUSING FINANCE

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 AVE SALE PRICE OF HOME PURCHASED UNDER SFP	192500	195000	197500	200000	200000	200000	200000	200000
2 AVE MO INCOME OF SINGLE FAMILY MORTGAGORS	4505	4565	4625	4685	4685	4685	4685	4685
3 % IN SFP LESS THAN 80% MEDIAN INCOME	40	40	40	40	40	40	40	40
4 % IN SFP 80 - 115% OF MEDIAN INCOME	50	50	50	50	50	50	50	50
5 % IN SFP 115 - 140% OF MEDIAN INCOME	10	10	10	10	10	10	10	10
6 AVE MO INCOME OF HOUSEHOLDS - MULTI-FAMILY	1918	1931	1945	1958	1958	1958	1958	1958
7 AVE MONTHLY RENT OF HOUSEHOLDS - MULTI-FAMILY								
8 AVE MO INCOME OF HOUSEHOLDS - RENTAL ASSISTANCE	1535	1546	1556	1567	1567	1567	1567	1567
9 AVE MO RENT OF HOUSEHOLDS - RENTAL ASSISTANCE								
PROGRAM TARGET GROUPS								
1 # OF HOUSEHOLDS ELIGIBLE FOR SINGLE FAMILY PROGRAM	37720	38170	38620	39070	39070	39070	39070	39070
2 # OF HOUSEHOLDS ELIGIBLE FOR MULTI-FAMILY PROGRAM	12839	12987	13138	13280	13280	13280	13280	13280
3 # OF HOUSEHOLDS ELIGIBLE FOR RENTAL ASSISTANCE	145994	147681	149390	151005	151005	151005	151005	151005
PROGRAM ACTIVITIES								
1 # OF HOUSEHOLDS ASSISTED BY SINGLE FAMILY PROGRAM	11887	12287	12687	13087	13087	13087	13087	13087
2 # OF HSHLDS ENTERING SNGL FAMILY PROG. LAST 12 MON	400	400	400	400	400	400	400	400
3 # HOUSEHOLDS ASSISTED BY MULTI-FAMILY PROGRAM	9235	9679	10123	10567	10567	10567	10567	10567
4 # HOUSEHOLDS ENTERG MULTI-FAM PROG IN LAST 12 MON								
5 # OF TENANTS ASSISTED BY RENTAL ASSISTANCE PROGRAM	3027	3143	3259	3375	3375	3375	3375	3375
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY	68,396	71,557	73,795	77,032	79,270	81,507	81,507	81,507
REVENUE FROM OTHER AGENCIES: FEDERAL	110	110	110	110	110	110	110	110
ALL OTHER								
CHARGES FOR CURRENT SERVICES	2,258	2,259	2,259	2,259	2,259	2,259	2,259	2,259
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS	58,223	60,221	68,221	55,221	55,221	61,721	61,721	61,721
TOTAL PROGRAM REVENUES	128,987	134,147	144,385	134,622	136,860	145,597	145,597	145,597
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
GENERAL FUND	3	3	3	3	3	3	3	3
ALL OTHER FUNDS	6,842	8,764	16,764	3,764	3,764	10,264	10,264	10,264
SPECIAL FUNDS	122,142	125,381	127,618	130,855	133,093	135,330	135,330	135,330
TOTAL PROGRAM REVENUES	128,987	134,148	144,385	134,622	136,860	145,597	145,597	145,597

A. Statement of Program Objectives

To assist low-and moderate-income individuals and families to rent or purchase adequate housing at an affordable cost through various financing, sales, and counseling programs.

B. Description of Request and Compliance with Section 37-68 (1) (A) (B)

The budget request for the FB 2005-07 reflects a two year budget approach based on funding levels approved for the FY 2005 with adjustment to:

(1) Restore positions authorized by Act 154, SLH 2004, to the Budget Bill.

C. Description of Activities Performed

Hula Mae Single Family Mortgage Purchase Program: Provides below market rate mortgage funds for low and moderate income households, through the sale of tax-exempt housing bonds in national markets and distributing the resulting loan funds to eligible borrowers by using lenders/services from the private sector.

Mortgage Credit Certificate Program: Provides low and moderate income families with a direct tax credit against their federal income tax liability making more income available for families to qualify for mortgage loans and make monthly payments.

State of Hawaii Rental Housing System Revenue Bond Program(RHS): Issues government purpose tax-exempt bonds for State ownership of rental housing projects and targeting for low-to moderate-income families.

Rental Assistance Program: Subsidizes low and moderate income households to assist them in meeting their housing needs and stimulates the production of rental housing that would not be financially feasible without rental assistance. Restructuring of the program in 1992 provided for a Rental Assistance Revolving

Fund which provides interim construction loans for affordable rental projects and revised the method for funding subsidy payments.

Hula Mae Multifamily Program: Provide interim and permanent financing at below market interest rates through the rate of tax-exempt revenue bonds for the development or rehabilitation of rental housing by private developers and owners.

Low-Income Housing Tax Credit Program: Provides federal and state tax credits for a 10 year period to developers/owners of low-income rental units in exchange for keeping the property in low-income rental for a minimum period of 15 years.

HOME Investment Partnerships (HOME) Program: Created by the National Affordable Housing Act of 1990, the program provides for expanding the supply of decent, safe, sanitary and affordable housing for low and very low income families. HOME Program funds are being initially allocated among the counties of Kauai, Maui and Hawaii for use in their respective counties.

Down Payment Loan Program: Provides eligible borrower with down payment assistance needed for the purchase of a home.

HCDCH Leasehold Programs: Administers approximately 850 leases in 15 leasehold projects statewide. Responds to lessee requests to consent to assignment of lease, to extend the fixed lease rent or lease term, to consent to capitol improvements, to purchase the leasehold interest and to purchase the leased fee interest. In addition, monitors the leases for compliance of terms and conditions.

HCDCH Affordable For Sale Programs: Administers the HCDCH Buyback Program, Shared Appreciation Equity (SAE) Program, Deferred Sales Price (DSP), Subsidy Program and related foreclosures to these programs. Responds to requests from families for consent to financing, for transfers of interests, for waivers to the buyback and/or SAE programs. Notifies families of their obligations to HCDCH

under the SAE, DSP and Subsidy Programs and assists these families with the payoff procedures. Provides technical assistance for new project sales.

HCDCH Section 8 Homeownership Option Program: HCDCH adopted the Section 8 Homeownership Ownership Option Program in May 13, 2002. Program is offered to approximately 2,500 families receiving Section 8 assistance.

HCDCH Public Housing Homeownership Program: HCDCH is administering a Public Housing Homeownership Program at the Waimanalo Homes Project. Eligible families who qualify to purchase their homes may purchase their homes subject to the terms of the HUD approved public housing homeownership program.

D. Statement of Key Policies Pursued

Single Family Mortgage Purchase Program and the Mortgage Credit Certificate Program: Borrowers must generally be first-time low-and moderate-income home buyers. Other strict Federal requirements are also imposed on borrowers.

Multi-Family Rental Housing Program: Projects must remain in rental housing for a minimum of fifteen years and at least 20% of the units financed must be made available to households of low-income. At least 20% of the units for households whose income are 50% or less of median income or at least 40% of the units for households whose income are 60% or less of median income.

Rental Assistance Program: provides rent subsidies to families earning less than 80% of the median income.

RHS: 60% of the units produced are targeted to low- to moderate- income families earning less than 80% of the median income.

Low-Income Housing Tax Credit Program: At least 20% of the project's units must be maintained for families earning less than 50% of the median income, or, at least 40% of the units must be for families earning less than 60% of the median income.

HOME Program: There are two major requirements: 1) Income Targeting requires that 100% of the HOME funds be used to benefit low-and very low- income households, and 2) Affordability requires that HOME assisted units remain affordable for a fixed period ranging from 5-20 years, depending upon the type of activity (i.e., rental housing, home ownership).

Down Payment Loan Program: Provides only the minimum amount of down payment assistance needed in order for a person(s) to qualify for the first mortgage.

For the sale of newly constructed and resale units, HCDCH coordinates the work performed by the sales agent, escrow and lender to ensure that properties are sold to qualified residents according to the preference ranking of applicants, and properties are encumbered with the buyback and SAE Program restrictions.

E. Identification of Important Program Relationships

Rental Assistance, combined with the Hula Mae Multi-Family, Low-Income Housing Tax Credit, RHS and HOME Programs will make rental projects feasible and help with the rental housing shortage. The Hula Mae Single Family Mortgage Purchase Program and the Mortgage Credit Certificate Program are key ingredients in stimulating new construction at affordable purchase prices and allow first time homebuyers to qualify to purchase the affordable priced homes.

There are interrelated relationships with such other government programs as the U. S. Department of Housing and Urban Development's Hawaii Partners for Homeownership.

F. Description of Major External Trends Affecting the Program

The major external trends affecting the Housing Finance programs include the following: increasing cost of housing production; limited inventory of rental housing and strong consumer demand for affordable rental and for-sale housing; fluctuating mortgage interest rates; limited inventory of for sale housing units in

affordable price ranges; and more program constraints and requirements imposed by the Federal Government. Lower interest rates have resulted in owners obtaining additional financing for their properties and increased request to consent to mortgages. The decrease in market values have also increased the number of payments for the SAE Program.

G. Discussion of Cost, Effectiveness and Program Size Data

The Rental Assistance Program has produced 1,836 units to date (in addition, the RARF has also awarded 8 interim construction loans to aid in the development/rehabilitation of 786 affordable units) the Hula Mae Single Family Program has placed over 9,860 families in their first home-ownership situation; the Mortgage Credit Certificate Program has assisted more than 642 families in purchasing their first homes; the RHS and SHARP Programs have completed 1,363 units; the HOME Program has provided 1,085 in rental units and rental assistance or for-sale units with an additional 258 units with funding commitments; and since 1975, the Home Ownership Counseling Unit (HOC) has provided over 16,500 families with classes (Hula Mae and State sponsored projects) for first-time home buyers. To date, six tax-exempt Multi-Family bond have been issued totaling approximately 74,000,000 and providing 620 rental units. To date, the Low Income Housing Tax Credit Program has assisted in the development or rehabilitation of 4,137 affordable units.

H. Discussion of Program Revenue

The Hula Mae Single Family Program, Rental Housing System, and State of Hawaii Affordable Rental Program produce revenues which are pledged to the repayment of the bonds issued to fund the program. Revenues generated from the Mortgage Credit Certificate Down payment Loa, and LIHTC Programs generally reflect the application fees charged to program applicants. Revenue from the Rental Assistance Fund primarily reflect interim construction loan payments which are used to make additional interim construction loans. Revenues for the Sales Unit are collected from the sale of the leased fee interest, deferred sales price, SAE Program and Administrative fees from various programs.

I. Summary of Analysis Performed

Approximately \$30 million of 2002 Program funds remain at a 5.76% mortgage rate. Due to the drop in conventional mortgage interest rates, these funds are currently unattractive. Staff is presently reviewing suggestions of the bond underwriters that would make the 2002 Program funds more appealing. Analysis of loans purchased shows that 81% are to households of 80% and below median income and the other 19% are to households between 80.1% and 140% of median income.

The demand for financing from the Rental Assistance Revolving Loan Program has exceeded the supply of funds.

Demand for the HOME Program funds is slowly increasing as non-profits, developers and county governments become more educated in the HOME Program. The State has received in FY 2002 its 13th allocation of just over \$3,300,000 of HOME funds and expects similar annual allocations in the future.

The demand for LIHTC as a component to assist in the development or rehabilitation of affordable rental projects annually exceeds the amount of credits annually allotted the HCDCH.

J. Further Consideration

None

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PROGRAM ID: HMS229
 PROGRAM STRUCTURE NO. 06020203
 PROGRAM TITLE: HCDCH ADMINISTRATION

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	49.00*	40.00*	50.00*	50.00*	50.0*	50.0*	50.0*	50.0*
PERSONAL SERVICES	3,141,525	3,374,120	3,787,539	3,787,539	3,787	3,787	3,787	3,787
OTHER CURRENT EXPENSES	9,902,301	9,902,301	9,902,301	9,902,301	9,903	9,903	9,903	9,903
TOTAL OPERATING COST	13,043,826	13,276,421	13,689,840	13,689,840	13,690	13,690	13,690	13,690
=====								
BY MEANS OF FINANCING								
OTHER FED. FUNDS	29.00*	20.00*	30.00*	30.00*	30.0*	30.0*	30.0*	30.0*
	10,378,836	10,484,987	10,793,606	10,793,606	10,794	10,794	10,794	10,794
REVOLVING FUND	20.00*	20.00*	20.00*	20.00*	20.0*	20.0*	20.0*	20.0*
	2,664,990	2,791,434	2,896,234	2,896,234	2,896	2,896	2,896	2,896
CAPITAL IMPROVEMENT COSTS								
PLANS	35,000							
DESIGN	2,371,000	40,000	1,020,000	2,000,000	500	500		
CONSTRUCTION	9,584,000	15,909,000	1,500,000	4,000,000	5,500	5,500		
TOTAL CAPITAL EXPENDITURES	11,990,000	15,949,000	2,520,000	6,000,000	6,000	6,000		
=====								
BY MEANS OF FINANCING								
G.O. BONDS	686,000	2,370,000	2,520,000	6,000,000	6,000	6,000		
OTHER FED. FUNDS	11,304,000	13,579,000						
TOTAL POSITIONS	49.00*	40.00*	50.00*	50.00*	50.00*	50.00*	50.00*	50.00*
TOTAL PROGRAM COST	25,033,826	29,225,421	16,209,840	19,689,840	19,690	19,690	13,690	13,690
=====								

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-229
 PROGRAM STRUCTURE NO: 06020203
 PROGRAM TITLE: HCDCH ADMINISTRATION

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 # COLL BARG GRIEVANCES FILED/100 EMPLOYEES	2	2	2	2	2	2	2	2
2 AUTHORIZED (ESTAB) POSITION VACANCY RATE %	5	5	5	5	5	5	5	5
3 % VARIATION IN HCDCH EXPEND COMP. TO ALLOT	6	6	6	6	6	6	6	6
4 NO. OF PERSONNEL TURNSOVERS PER YEAR	100	100	100	100	100	100	100	100
PROGRAM TARGET GROUPS								
1 NO. OF EMPLOYEES IN HCDCH	418	418	418	418	418	418	418	418
2 # LOWEST LEVEL PROGRAMS ADMINISTERED	9	9	9	9	9	9	9	9
PROGRAM ACTIVITIES								
1 # OF VOUCHERS PROCESSED ANNUALLY	2000	2000	2000	2000	2000	2000	2000	2000
2 # DEVELOPMENT CONTRACTS PROCESSED ANNUALLY (HCDCH)	44	44	44	44	44	44	44	44
3 # OF EVICTIONS FROM HOUSING	100	100	100	100	100	100	100	100
4 AMOUNT OF GRANTS RECEIVED	7	5	5	5	5	5	5	5
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	15,800	15,800	15,800	15,800	15,800	15,800	15,800	15,800
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	15,800	15,800	15,800	15,800	15,800	15,800	15,800	15,800
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	15,800	15,800	15,800	15,800	15,800	15,800	15,800	15,800
TOTAL PROGRAM REVENUES	15,800	15,800	15,800	15,800	15,800	15,800	15,800	15,800

- A. Statement of Program Objectives
To enhance program effectiveness and efficiency by formulating policies, directing operations and personnel, and providing other administrative and housekeeping services.
- B. Description of Request and Compliance with Section 37-68 (1) (A) (B)
The budget request for the FY 2005-07 reflects a two year budget approach based on funding levels approved for the FY 2005 with adjustment to:
- (1) Authorize new positions and funds to address management and operational issues raised by the U.S. Department of Housing and Urban Development.
 - (2) Appropriate Capital Improvement Project funds for the repair and maintenance, site improvements and renovation of housing projects.
- C. Description of Activities Performed
To provide the administrative direction and support needed to effectively carry out the major tasks of the Housing and Community Development Corporation of Hawaii (HCDCH) reflected in the other program areas.
- D. Statement of Key Policies Pursued
- 1. Providing the needed expertise to each program area in providing for the efficient utilization of resources by:
 - a. Ensuring that necessary training is provided for all levels of skills.
 - b. Utilizing and testing new methods in both the maintenance and management areas.
 - c. Ensuring that meaningful management reports are provided on a timely basis to all managers and administrators.
 - 2. The HCDCH is responsible for the coordinating the Federal Low Rent, State Low Rent, Housing for Elders, State Rent Supplement, Federal Section 8, Homeless Programs, and the State Housing Plan. The objectives and policies of the Hawaii State Plan provide the framework for the State Housing Plan actions that guide specific administrative efforts.
- E. Identification of Important Program Relationships
To ensure continued availability of federal funds for low income public housing programs, the HCDCH maintains a close working relationship with the U.S. Department of Housing and Urban Development (HUD). The integration of state and federal resources and the coordination of program activities help to prevent the duplication of housing efforts and ensure the efficient use of program resources.
- F. Description of Major External Trends Affecting the Program
There are three major external trends affecting the program.
- 1. The limited supply of public housing units and a growing demand for affordable rental housing increase the demand for rental assistance.
 - 2. Hawaii's limited rental housing stock in the private rental market and the growing population result in higher rental housing cost and increased demand for rental assistance.
 - 3. The HCDCH has been placed under a U.S. Housing and Urban Development Corrective Action Order and Memorandum of Agreement. These agreements require the HCDCH to meet specific program targets measures by certain dates.
- G. Discussion of Cost, Effectiveness, and Program Size Data
None
- H. Discussion of Program Revenues
There are no revenues specifically generated from this program. Funds used for the operations of this program are allocated from the programs administered by HMS 229.
- I. Summary of Analysis Performed
None.
- J. Further Considerations
None.

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PROGRAM ID: HMS230
 PROGRAM STRUCTURE NO. 06020301
 PROGRAM TITLE: HEALTH CARE PAYMENTS

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	--IN DOLLARS--				--IN THOUSANDS--			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
CAPITAL IMPROVEMENT COSTS								
OTHER CURRENT EXPENSES	515,355,048	544,092,640	596,940,916	590,050,957	612,299	660,383	712,314	768,401
TOTAL OPERATING COST	515,355,048	544,092,640	596,940,916	590,050,957	612,299	660,383	712,314	768,401
BY MEANS OF FINANCING								
GENERAL FUND	203,462,452	214,576,573	240,191,626	240,301,007	248,847	269,102	296,229	319,855
OTHER FED. FUNDS	301,551,381	319,174,852	346,408,075	339,408,735	353,111	380,940	405,744	438,205
INTERDEPT. TRANSFER	10,341,215	10,341,215	10,341,215	10,341,215	10,341	10,341	10,341	10,341
TOTAL POSITIONS								
TOTAL PROGRAM COST	515,355,048*	544,092,640*	596,940,916*	590,050,957*	612,299*	660,383*	712,314*	768,401*

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-230
 PROGRAM STRUCTURE NO: 06020301
 PROGRAM TITLE: HEALTH CARE PAYMENTS

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % ELIGIBLE PERSONS RECEIVING CARE	75	75	75	75	75	75	75	75
2 % PAT SEEN W/IN 30 DAYS OF DISCH FROM ACUTE-CF	70	70	70	70	70	70	70	70
PROGRAM TARGET GROUPS								
1 POTENTIAL # OF ELIG AGED, BLIND & DISABLED PERSONS	36000	36000	36000	36000	36000	36000	36000	36000
PROGRAM ACTIVITIES								
1 # ON-SITE REVIEWS CONDUCTED BY MQD OR CONTRCTRS	200	200	200	200	200	200	200	200
2 NUMBER OF PAID CLAIMS TO PROVIDERS	2400000	2400000	2400000	2400000	2400000	2400000	2400000	2400000
3 # OF PARTICIPATING PROVIDERS WITHIN THE PROGRAM	4000	4000	4000	4000	4000	4000	4000	4000
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY	30	28	28	28	28	28	28	28
REVENUE FROM OTHER AGENCIES: FEDERAL	330,332	313,717	330,272	351,993	376,427	404,018	435,290	435,290
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	330,362	313,745	330,300	352,021	376,455	404,046	435,318	435,318
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	330,332	313,717	330,272	351,993	376,427	404,018	435,290	435,290
GENERAL FUND	30	28	28	28	28	28	28	28
TOTAL PROGRAM REVENUES	330,362	313,745	330,300	352,021	376,455	404,046	435,318	435,318

Program Plan Narrative

HMS 230: HEALTH CARE PAYMENTS

06 02 03 01

A. Statement of Program Objectives

To enable those in need to maintain and improve their health by providing for payment of medical, dental and other professional health services, hospital services, nursing home services, drug, prosthetic appliances, home health and other institutional health care, drugs, prosthetics, appliances and other related health services, including transportation and burial services.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Request additional funds of \$25,865,053 in general funds and \$29,483,223 in federal funds ceiling in FY 06 and \$25,974,434 in general funds and \$22,483,883 in federal funds ceiling for FY 07 to meet the rising costs for delivering care. Additional funds are needed to cover the increasing cost of prescription drugs which are projected to continue to rise at 16% per year for both FY 06 and FY 07. Increases are also due to higher medical cost for acute facilities projected at 3.7% per year, nursing home cost at 2.7% per year, and FQHC rate increases at 3.0%.

C. Description of Activities Performed

In order to assure quality and accessibility of health care services, maximum participation of health care providers is encouraged. Program personnel, who conduct institutional pre-admission and medical authorization reviews and monitor over-utilization patterns of Medicaid clients, perform quality assurance and utilization reviews. Cost control management activities that contribute to overall expenditure cost containment include: 1) implementation of institutional prospective payment system; 2) negotiated fee schedule with appropriate non-institutional providers; and 3) monitoring and preventing excessive services by providers; and 4) reviewing and pursuing recoveries from liable third parties.

D. Statement of Key Policies Pursued

The Medicaid program draws 58.47% in federal financial participation; therefore, it must adhere to mandates contained in each federal budget act. The Medicaid program's current efforts include development of alternatives to the traditional program in order to control the skyrocketing cost of health care.

E. Identification of Important Program Relationships

In implementing the Medicaid program, the Department must coordinate health care services available to the Medicaid eligible population. The Department of Health and private organizations provide many, sometimes specialized, services all of which must be coordinated.

F. Description of Major External Trends Affecting the Program

Due to the effectiveness of new prescription drugs on the market, the utilization and cost of these prescription drugs continue to greatly impact the budget of Medicaid Programs throughout the nation. These new prescription drugs which are effective but costly, are covered by the Medicaid Program. Hawaii has submitted and received approval to participate in the National Medicaid Pooling Initiative. This will enable the department to receive preferential pricing on pharmacy drugs and receive increased rebates from manufacturers.

G. Discussion of Cost, Effectiveness, and Program Size Data

The staff strives to ensure program cost effectiveness and to take action on any significant program trends which jeopardize the projected budget. As federal and state laws focus on public assistance programs, specifically Medicaid, much program planning and analysis will be required to comply with changes in the laws.

H. Discussion of Program Revenue

The program receives 58.47% matching funds from the Department of Health and Human Services, HCFA for program and 50.00% in matching funds for administrative expenses.

I. Summary of Analysis Performed

None.

J. Further Considerations

Budget projections for the Fee-for-Service expenditures are based on actual historical costs.

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID: HMS231
 PROGRAM STRUCTURE NO. 06020209
 PROGRAM TITLE: RENTAL HOUSING TRUST FUND

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	*	*	*	*	*	*	*	*
PERSONAL SERVICES	76,302	76,302	76,302	76,302	76	76	76	76
OTHER CURRENT EXPENSES	13,932,261	13,932,261	15,932,261	15,932,261	15,932	15,932	15,932	15,932
TOTAL OPERATING COST	14,008,563	14,008,563	16,008,563	16,008,563	16,008	16,008	16,008	16,008
BY MEANS OF FINANCING								
GENERAL FUND			2,000,000	2,000,000	2,000	2,000	2,000	2,000
TRUST FUNDS	14,008,563	14,008,563	14,008,563	14,008,563	14,008	14,008	14,008	14,008
TOTAL POSITIONS	*	*	*	*	*	*	*	*
TOTAL PROGRAM COST	14,008,563	14,008,563	16,008,563	16,008,563	16,008	16,008	16,008	16,008

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-231
PROGRAM STRUCTURE NO: 06020209
PROGRAM TITLE: RENTAL HOUSING TRUST FUND

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 # RNTL UNITS DEV FOR HSHLDS </= 60% AREA MEDIAN GI	296	296	296	296	296	296	296	296
2 # RNTL UNITS FOR >60% AMGI BUT <100% AMGI LEVEL	0	0	0	0	0	0	0	0
3 #RNTL UNITS DEV FOR HSEHLDS </= 30% AMGI LEVEL								
4 # NON-PROFIT ORGS REC PROJ AWD AFTER CAP BLDG AWD	1	1	1	1	1	1	1	1
5 AVG MO INCOME FOR THOSE </=60% MEDIAN INC GROUP	2945	2966	2987	3007	3007	3007	3007	3007
6 AVG MO INCOME FOR THOSE >60%BUT</=100% AREA MI	3928	3955	3983	4011	4011	4011	4011	4011

PROGRAM TARGET GROUPS

1 # EARNING < OR = 60% AREA MEDIAN GROSS INCOME	97084	98207	99342	100416	100416	100416	100416	100416
2 # EARNING >60% BUT < OR = 100% AREA MEDIAN GR. INC	94983	96081	97193	98244	98244	98244	98244	98244
3 # NON-PROF ORGS ELIG FOR CAP BLDG GRANTS/PROJ AWD	50	50	50	50	50	50	50	50

PROGRAM ACTIVITIES

1 #HSEHLDS PER RENTAL TYPE ASSISTED BY RHTF PROGRAM	3475	3919	3919	3919	3919	3919	3919	3919
2 # ORGANIZATIONS REQUESTING PROJECT AWARDS	7	7	7	7	7	7	7	7
3 # ORGANIZATIONS AWARDED PROJECT AWARD	3	3	3	3	3	3	3	3
4 # NON-PROFIT ORGS REQUESTING CAPACITY BLDG GRANTS	15	15	15	15	15	15	15	15
5 # NON-PROFIT ORGS AWARDED CAPACITY BLDG AWARDS	8	8	8	8	8	8	8	8

PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):

TAXES	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065
REVENUE FROM OTHER AGENCIES: FEDERAL								
ALL OTHER								
CHARGES FOR CURRENT SERVICES	1	1	1	1	1	1	1	1
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS	250	250	250	250	250	250	250	250
TOTAL PROGRAM REVENUES	3,066	3,066	3,066	3,066	3,066	3,066	3,066	3,066

PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):

ALL OTHER FUNDS	3,066	3,066	3,066	3,066	3,066	3,066	3,066	3,066
TOTAL PROGRAM REVENUES	3,066	3,066	3,066	3,066	3,066	3,066	3,066	3,066

- A. Statement of Program Objectives
To assist lower income individuals and families in obtaining affordable rental housing by providing loans or grants for the development, predevelopment, construction, acquisition, preservation, and substantial rehabilitation of rental housing units.
- B. Description of Request and Compliance with Section 37-68 (1) (A) (B)
The budget request for the FB 2005-07 reflects a two year budget approach based on funding levels approved for the FY 2005 with adjustment to:
- (1) Increase the Rental Housing Trust Fund by \$2,000,000 for both years of the fiscal biennium.
- C. Description of Activities Performed
As of June 30, 2004, the Rental Housing Trust Fund Program has committed to providing approximately \$54.3 M to thirty (30) projects. A total of 2,270 new affordable rental units has been or will be constructed or rehabilitated. A total of approximately \$1.6 M has been committed to thirty-four (34) nonprofit entities for capacity building activities.
- D. Statement of Key Policies Pursued
The Trust Fund program is designed to provide "equity gap" financing to developers of affordable rental units. Projects financed by the Trust Fund must commit to renting at least ten percent (10%) of the units to households earning less than thirty percent (30%) of the area median gross income level, fifty percent (50%) of the units to households earning less than sixty percent (60%) of the area median gross income level, and the remaining units must be rented to households earning less than one hundred percent (100%) of the area median gross income level.
- E. Identification of Important Program Relationships
There is an acute shortage of affordable rental housing throughout the State. The Trust Fund provides the last portion of financing to projects, thereby making the projects financially feasible.
- F. Description of Major External Trends Affecting the Program
The major external trends affecting the Trust Fund are the high construction cost of housing in the State and the availability of future funds being made available to the Program. The Trust Fund has limited resources and given the high cost conditions, the number of units assisted will be affected.
- G. Discussion of Cost, Effectiveness and Program Size Data
The Trust Fund has provided or approved invaluable financing to thirty (30) rental developments that would not have been feasible otherwise. These projects will add 2,203 new or rehabilitated affordable rental units. Thirty-four (34) non-profits have been awarded Capacity Building grants to promote their ability to be future housing providers and developers.
- H. Discussion of Program Revenue
Funding for the Trust Fund came through an initial transfer of \$15 M from the Housing Finance and Development Corporation's Rental Assistance Revolving Fund and a subsequent transfer of \$3.2 M. An additional \$10 M in each year was provided for in FY 1998 and FY 1999. A portion of conveyance tax revenues provides approximately \$1.0 M per year to the Trust Fund. In addition, the 2000 State Legislature provided HCDCH with bond authority to issue revenue bonds. The HCDCH anticipates issuing approximately \$15 million in taxable revenue bonds.
- I. Summary of Analysis Performed
Demand for program funds is extremely high. As of June 30, 2004, approximately \$12.8 M was available with pending applications requesting \$14.2 M and expected demand to exceed the amount available.
- J. Further Consideration
The Trust Fund's long term effectiveness will depend upon the availability of funding. With the exception of Capacity Building grants and Predevelopment loans, the Trust Fund has made only long term loans to the Awardees. These funds will repay the Trust Fund over time, generally, a period of 30 to 40 years. Without a larger source of dedicated funding, the demand for funds from the Trust Fund will deplete all remaining funds.

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OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID: HMS236
 PROGRAM STRUCTURE NO. 06020401
 PROGRAM TITLE: ELIG DETER. & EMPLOYMT RELATED SVCS

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	589.00*	589.00*	584.00*	584.00*	584.0*	584.0*	584.0*	584.0*
PERSONAL SERVICES	23,375,361	24,321,806	25,071,223	25,071,223	25,071	25,071	25,071	25,071
OTHER CURRENT EXPENSES	3,722,811	3,722,811	3,722,811	3,722,811	3,723	3,723	3,723	3,723
TOTAL OPERATING COST	27,098,172	28,044,617	28,794,034	28,794,034	28,794	28,794	28,794	28,794
BY MEANS OF FINANCING								
GENERAL FUND	331.75*	331.75*	328.86*	328.86*	328.9*	328.9*	328.9*	328.9*
	12,441,517	12,908,448	13,268,235	13,268,235	13,268	13,268	13,268	13,268
OTHER FED. FUNDS	257.25*	257.25*	255.14*	255.14*	255.1*	255.1*	255.1*	255.1*
	14,656,655	15,136,169	15,525,799	15,525,799	15,526	15,526	15,526	15,526
TOTAL POSITIONS	589.00*	589.00*	584.00*	584.00*	584.00*	584.00*	584.00*	584.00*
TOTAL PROGRAM COST	27,098,172	28,044,617	28,794,034	28,794,034	28,794	28,794	28,794	28,794

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-236

PROGRAM STRUCTURE NO: 06020401

PROGRAM TITLE: ELIG DETER. & EMPLOYMT RELATED SVCS

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % ELIG DETERMINATIONS COMPLETED IN TIMELY MANNER	90	90	90	90	90	90	90	90
2 ERROR RATE FOR FOOD STAMPS (%)	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
3 % OF TANF RECIPIENTS EMPLOYED	50	50	50	50	50	50	50	50
4 % OF TAONF RECIPIENTS EMPLOYED	43	43	43	43	43	43	43	43
5 % OF MANDAT TANF RECIPS MEETG WORK PGM PARTIC REQ	50	50	50	50	50	50	50	50
6 % OF MANDAT TAONF RECIPS MEETG WORK PGM PARTIC REQ	54	54	54	54	54	54	54	54
7 %TANF RECIP IN WORK PGM EXITING DUE TO EARNGS	33	33	33	33	33	33	33	33
8 %TAONF RECIP IN WORK PGM EXITING DUE TO EARNGS	27	27	27	27	27	27	27	27

PROGRAM TARGET GROUPS

1 POTENTIAL # HSEHLDs ELIG FOR FINANCIAL ASST	23239	23239	23239	23239	23239	23239	23239	23239
2 POTENTIAL # HSEHLDs ELIG FOR FOOD STAMPS ONLY	21917	21917	21917	21917	21917	21917	21917	21917
3 # TANF RECIPIENTS MANDATED TO PARTIC IN WORK PGM	75794	75794	75794	75794	75794	75794	75794	75794
4 # TAONF RECIPIENTS MANDATED TO PARTIC IN WORK PGM	82881	82881	82881	82881	82881	82881	82881	82881

PROGRAM ACTIVITIES

1 NO. OF FINANCIAL ASST APPLICATIONS PROCESSED	4558	4558	4558	4558	4558	4558	4558	4558
2 NO. OF FOOD STAMP ONLY APPLICATIONS PROCESSED	2333	2333	2333	2333	2333	2333	2333	2333
3 NO. OF FINANCIAL ASST ELIG REVIEWS COMPLETED	2478	2478	2478	2478	2478	2478	2478	2478
4 NO. OF FOOD STAMP ONLY ELIG REVIEWS COMPLETED	1014	1014	1014	1014	1014	1014	1014	1014
5 NO. TANF RECIPIENTS PARTICIPATING IN WORK PROGRAM	8180	8180	8180	8180	8180	8180	8180	8180
6 # TAONF RECIPIENTS PARTICIPATING IN WORK PROGRAM	1960	1960	1960	1960	1960	1960	1960	1960

PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):

TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	12,810	12,810	12,810	12,810	12,810	12,810	12,810	12,810
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	12,810	12,810	12,810	12,810	12,810	12,810	12,810	12,810

PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):

SPECIAL FUNDS	12,810	12,810	12,810	12,810	12,810	12,810	12,810	12,810
TOTAL PROGRAM REVENUES	12,810	12,810	12,810	12,810	12,810	12,810	12,810	12,810

A. Statement of Program Objectives

To enhance program effectiveness and efficiency by determining the eligibility of applicants and recipients for public assistance, orienting them to the services available, directing them to appropriate places for assistance, and aiding recipients to obtain and retain employment.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

This is not a new program; eligibility determination and payment authorizations continue to be appropriate functions of State Government. The federal agencies with oversight of these programs mandate that the Department's staff completes these activities.

The emphasis will continue to be to help clients become self-supporting and limit the time financial assistance is available. The First-to-Work (FTW) program is a federally mandated work program for families receiving Temporary Assistance to Needy Families (TANF) benefits and provides a comprehensive array of services to its clients. The budget requests for HMS 236 are housekeeping in nature and involve transferring positions into the proper organization code to reflect the reorganization of the Oahu Branch which was completed in State Fiscal Year 2004. The reorganization realigns the units on Oahu and reflects a more efficient and effective organizational structure in which to deliver services to the clients.

C. Description of Activities Performed

The following are the major activities related to Eligibility Determination:

1. Processing applications for financial assistance, food stamps, health care, and child care benefits;
2. Conducting eligibility predetermination on a scheduled as well as unscheduled basis;

3. Processing monthly reports from recipient households;
4. Making payment and/or benefit adjustments when the circumstances of the recipient changes;
5. Conducting informational activities to assist eligible persons to participate in the program;
6. Conducting collateral contacts to verify household eligibility; and
7. Making referrals to other resources as appropriate.

The following are the major activities of the FTW Program:

1. Intake and orientation services;
2. Barrier assessment services;
3. Supportive services;
4. Employability assessment/plan development; and
5. Component services.

D. Statement of Key Policies Pursued

Key policies include:

1. Major emphasis on the reduction of errors through filling vacant positions, improving staff training, tightening regulations, implementation of management controls, and improvement of branch administration;
2. The implementation of different approaches or strategies to facilitate the staff's ability to manage the workload; and
3. The computerization of the eligibility determination and benefit payment processes.

E. Identification of Important Program Relationships

This program has a close relationship to: the Supplemental Security Income program of the Social Security Administration; the Department's Social Services and Medical Assistance programs; the Department of Labor and Industrial Relations; the Department of Education; the Department of Health;

the University of Hawaii - Community Colleges; the counties; and numerous private services agencies.

F. Description of Major External Trends Affecting the Program

1. Federal Regulations impact the size, cost and administration of the income maintenance programs. Increased responsibility is placed on the state to monitor recipient circumstances to ensure accurate benefits.
2. Economic Conditions: Unemployment, disability of the breadwinner, lack of jobs, the increase in population, the high cost of living, and the exhaustion of unemployment insurance benefits.
3. Immigration and migration to Hawaii.
4. Family Disintegration: Marital discord, such as divorce and separation, and out-of-wedlock pregnancies increase the number of welfare recipients.
5. Longevity: As life expectancy increases, the number of aged dependent on some form of welfare assistance is expected to grow, especially since many of the aged live on fixed incomes.

G. Discussion of Cost, Effectiveness, and Program Size Data

1. Expenditures under the FTW program are directly related to assisting recipients in becoming independent of the welfare system, and are, therefore, cost effective in nature. With the continuing emphasis on employment, there will be further cost savings to the state as all FTW participants are required to work.
2. Planned Levels of Program Effectiveness
Eligibility determinations completed in a timely manner: the Department expects this rate to remain at about 90%.
The food stamp error: in 2004 Hawaii was ranked seventh in the nation with an error rate of 3.42%. The national error rate was 4.78%. Hawaii's performance has historically been in compliance with federal standards.

The percentage of TANF recipients employed: the rate was 50% in Fiscal Year 2004 and it is anticipated to remain at that level.

The percentage of TAONF recipients employed: we project it will remain at 40% through the planning period.

The percentage of the TANF mandatory work participation population meeting work participation requirements: We met this requirement in FY 2004 and expect to continue to meet it.

The percentage of the TAONF mandatory work participation population meeting work participation requirements: the projection is that 68% will meet the requirements.

The percentage of TANF recipients in the work program exiting due to earnings: the rate was 15% in 2004. With the decline in caseload due to more employable clients having left welfare, we expect the rate to remain low in the future.

The percentage of TAONF recipients in the work program exiting due to earnings: this rate is 25% and it is expected to remain at that level in the near future.

3. Projected Target Group Size

The potential number of households eligible for financial assistance: decreases through FY 2004 were due to the 60 month time limit and the concentrated effort on getting all households employed and self sufficient. The potential number of households eligible for food stamps: tightening of federal rules and the improving economy were responsible for the decreases through FY 2004.

The number of TANF and TAONF recipients mandated to participate in the work program: the decreases experienced through FY 2002 are not expected to continue as the Department is engaging a larger number of people in activities directed at self-sufficiency.

4. Projected Level of Program Activity

Number of financial assistance applications processed: little change in total applications is expected.

Number of food stamp applications processed: little change in total applications is expected.

Number of financial assistance eligibility reviews completed: the rate coincides with the level of applications.

Number of food stamp eligibility reviews completed: the rate coincides with the level of applications.

The number of TANF recipients participating in the work program: this is projected to decrease as the more employable recipients continue to leave welfare.

The number of TAONF recipients participating in the work program: this is projected to decrease as the more employable recipients continue to leave welfare.

H. Discussion of Program Revenues

Both the state and federal governments fund the program; HMS 236 receives 50% federal funding participation for Medical and Food Stamp eligibility determination and a portion of the TANF block grant for TANF eligibility determination and employment services. This program also receives a portion of the Child Care and Development Fund Block Grant for administration of the child care subsidy payments.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

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PROGRAM ID: HMS237
 PROGRAM STRUCTURE NO. 060205
 PROGRAM TITLE: EMPLOYMENT AND TRAINING

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
CAPITAL IMPROVEMENT COSTS								
OTHER CURRENT EXPENSES	1,688,755	1,688,755	1,688,755	1,688,755	1,689	1,689	1,689	1,689
TOTAL OPERATING COST	1,688,755	1,688,755	1,688,755	1,688,755	1,689	1,689	1,689	1,689
BY MEANS OF FINANCING								
GENERAL FUND	491,214	491,214	491,214	491,214	491	491	491	491
OTHER FED. FUNDS	1,197,541	1,197,541	1,197,541	1,197,541	1,198	1,198	1,198	1,198
TOTAL POSITIONS	*	*	*	*	*	*	*	*
TOTAL PROGRAM COST	1,688,755	1,688,755	1,688,755	1,688,755	1,689	1,689	1,689	1,689

PROGRAM ID: HMS-237
 PROGRAM STRUCTURE NO: 060205
 PROGRAM TITLE: EMPLOYMENT AND TRAINING

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % E&T PARTICIP W/BENEFIT REDUCTN DUE TO EMPLOYMENT	30	30	30	30	30	30	30	30
2 % E&T PARTICIPANTS WHO EXIT DUE TO EMPLOYMENT	10	10	10	10	10	10	10	10
PROGRAM TARGET GROUPS								
1 # FOOD STAMP RECIP ABLE-BODIED SUBJECT TO MANDWORK	10196	10196	10196	10196	10196	10196	10196	10196
PROGRAM ACTIVITIES								
1 # PARTICIPANTS IN EMPLOYMENT & TRAINING PROGRAM	1619	1619	1619	1619	1619	1619	1619	1619
2 #E&T PARTICIPS WHO WORK/PARTIC IN WORK REL ACTIV	800	800	800	800	800	800	800	800
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	922	1,414	1,414	1,414	1,414	1,414	1,414	1,414
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	922	1,414	1,414	1,414	1,414	1,414	1,414	1,414
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	922	1,414	1,414	1,414	1,414	1,414	1,414	1,414
TOTAL PROGRAM REVENUES	922	1,414	1,414	1,414	1,414	1,414	1,414	1,414

Program Plan Narrative

HMS 237: EMPLOYMENT AND TRAINING

06 02 05

A. Statement of Program Objective

To maximize the number of Employment and Training (E&T) participants who are able to obtain and retain employment.

the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Hawaii Administrative Rules, Title 17, Chapter 684, provides administrative rules and guidelines for the department to follow in referring a participant, providing services, and imposing sanctions for noncompliance.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

No request for additional resources in FB 06 and 07. E&T services are provided through Purchase of Services (POS) contracts.

E. Identification of Important Program Relationships

The E&T Program relates closely to the First-to-Work program to provide resources which enable families to attain self-sufficiency. Services are not supplanted or duplicated as each department work program serves a different target population.

C. Description of Activities Performed

The major activities of the E&T Program will remain geared toward improving the employability and earning power of the participants. This will be accomplished through departmental staff and contractual agreements with other departments and agencies to provide the following employment preparation activities: assessment and/or testing of skill level, employability development planning, job search skills training, independent job search, linkage with community based employment and training programs, GED or equivalency preparation, English as a second language, work experience, vocational skills training, and case management.

The E&T Program also maintains close working relationships with numerous existing services within the community. Such relationships have been established with the Department of Labor and Industrial Relations, the Department of Education, the University of Hawaii-Community Colleges, the Department of Health, and numerous private service agencies.

D. Statement of Key Policies Pursued

The E&T Program is in operation to improve the employability of participants as mandated by the Food Security Act of 1985 and Title VIII of

F. Description of Major External Trends Affecting the Program

1. Changes in food stamp eligibility and/or employment and training rules/performance standards mandated by the U.S. Department of Agriculture.
2. Changes in the state unemployment rates, training resources, job opportunities, and labor market trends.

G. Discussion of Cost Effectiveness and Program Size Data

The total mandatory caseload for FY 04 was 10,934. The total caseload is anticipated to remain stable in FY 05 at 10,900. Of this number approximately 10% are expected to exit and begin self-sufficient employment. An additional 30% of participants will receive a reduction in their food stamp benefits due to employment.

H. Discussion of Program Revenue

Each year the Food Stamp E&T Program is given a 100% federal grant based on the number of work registrants in the state. E&T expenses (direct services and support services) in excess of the federal grant are at a 50% match rate.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID: HMS238
 PROGRAM STRUCTURE NO. 06020402
 PROGRAM TITLE: DISABILITY DETERMINATION

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	45.00*	45.00*	45.00*	45.00*	45.0*	45.0*	45.0*	45.0*
PERSONAL SERVICES	2,435,249	2,507,831	2,624,591	2,624,591	2,625	2,625	2,625	2,625
OTHER CURRENT EXPENSES	2,593,684	2,593,684	2,593,684	2,593,684	2,594	2,594	2,594	2,594
TOTAL OPERATING COST	5,028,933	5,101,515	5,218,275	5,218,275	5,219	5,219	5,219	5,219
=====								
BY MEANS OF FINANCING								
OTHER FED. FUNDS	45.00*	45.00*	45.00*	45.00*	45.0*	45.0*	45.0*	45.0*
	5,028,933	5,101,515	5,218,275	5,218,275	5,219	5,219	5,219	5,219
TOTAL POSITIONS	45.00*	45.00*	45.00*	45.00*	45.00*	45.00*	45.00*	45.00*
TOTAL PROGRAM COST	5,028,933	5,101,515	5,218,275	5,218,275	5,219	5,219	5,219	5,219
=====								

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-238
 PROGRAM STRUCTURE NO: 06020402
 PROGRAM TITLE: DISABILITY DETERMINATION

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 PERCENT OF CLAIMS PROCESSED DURING THE YEAR	100	100	100	100	100	100	100	100
2 PERCENT OF CASES RETURNED FOR CORRECTIVE ACTION	4	4	4	4	4	4	4	4
PROGRAM TARGET GROUPS								
1 POTENTIAL # APPLIC FOR SOC SEC DISAB BENEFITS	10000	10000	10000	10000	10000	10000	10000	10000
PROGRAM ACTIVITIES								
1 NO OF CLAIMNTS PROVIDED CONSULTATIVE EXAM (ANNUAL)	3200	3200	3200	3200	3200	3200	3200	3200
2 # OF CLAIMANTS REFERRED FOR VOC REHAB (ANNUAL)	262	262	262	262	262	262	262	262
3 # SOC SEC DISABILITY BENEFIT DEC RENDERED	10000	10000	10000	10000	10000	10000	10000	10000
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	4,538	4,538	4,538	4,538	4,538	4,538	4,538	4,538
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	4,538	4,538	4,538	4,538	4,538	4,538	4,538	4,538
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	4,538	4,538	4,538	4,538	4,538	4,538	4,538	4,538
TOTAL PROGRAM REVENUES	4,538	4,538	4,538	4,538	4,538	4,538	4,538	4,538

Program Plan Narrative

HMS 238: DISABILITY DETERMINATION

06 02 04 02

A. Statement of Program Objectives

To maximize program effectiveness and efficiency by determining eligibility of applicants for assistance.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The request is to increase the federal fund ceiling for the Disability Determination Branch (DDB) to pay for six permanent positions to adjudicate and process social security disability claims.

C. Description of Activities Performed

The major activity of the Disability Determination program is to determine an applicant's eligibility for Disability Insurance and Supplemental Security Income benefits. Consultative exams are required when other recorded documentation is insufficient, contains conflicting evidence or is not timely.

D. Statement of Key Policies Pursued

To establish whether or not an applicant is totally disabled for a period of not less than 12 consecutive months for substantial employment within the meaning of the law.

E. Identification of Important Program Relationships

Claims for Disability Insurance and Supplemental Security Income are filed in the various Social Security Administration offices throughout the State and the original files are then forwarded to the Disability Determination Branch for adjudication. Coordination and cooperation between both agencies is required to expedite the disabled person's claim for benefits.

F. Description of Major External Trends Affecting the Program

The program is highly sensitive to local and national economic situations, with more applications being filed during periods of high unemployment. Congressional reviews of the disability program and budgetary standoffs between the President and Congress have had significant effect on branch operations.

G. Discussion of Cost, Effectiveness, and Program Size Data

The estimated number of people who will claim disability benefits is made annually for each State by the Social Security Administration based on a formula. Fiscal Year 2005 estimated workload based on the federal fiscal year is 11,000 cases. Of this, 100 percent will be processed.

The Disability Determination Program makes determinations of eligibility for disability benefits on 100 percent of all claims received. This means that all claims received during the fiscal year are adjudicated and processed out to the Social Security Administration by the end of the fiscal year or in the next fiscal year.

A sample of Title II adjudicated claims is reviewed by the appropriate Social Security Administration office. This is an activity, which was instituted as a result of the General Accounting Office's criticism of the lack of uniformity in decisions made by the State agencies throughout the nation. A sample of Title XVI and concurrent Title XVI and II cases continue to be reviewed by the Disability Quality Assurance Branch in Richmond, California. Approximately 4 percent of the cases are returned for corrective action. The national average is 10 percent.

The major reason for returned cases is insufficient documentation upon which to make a decision.

H. Discussion of Program Revenues

The program is 100 percent federally funded by the Social Security Administration.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID: HMS245
 PROGRAM STRUCTURE NO. 06020303
 PROGRAM TITLE: QUEST HEALTH CARE PAYMENTS

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
CAPITAL IMPROVEMENT COSTS								
OTHER CURRENT EXPENSES	305,772,559	358,253,603	365,788,496	388,500,125	419,079	452,381	488,584	527,955
TOTAL OPERATING COST	305,772,559	358,253,603	365,788,496	388,500,125	419,079	452,381	488,584	527,955
BY MEANS OF FINANCING								
GENERAL FUND	129,357,652	148,568,658	150,853,551	158,728,070	166,854	175,459	189,745	199,232
OTHER FED. FUNDS	176,414,907	209,684,945	214,934,945	229,772,055	252,225	276,922	298,839	328,723
TOTAL POSITIONS	*	*	*	*	*	*	*	*
TOTAL PROGRAM COST	305,772,559	358,253,603	365,788,496	388,500,125	419,079	452,381	488,584	527,955

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-245
 PROGRAM STRUCTURE NO: 06020303
 PROGRAM TITLE: QUEST HEALTH CARE PAYMENTS

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % OF CAPITATION DEVOTED TO HEALTH CARE	92	92	92	92	92	92	92	92
2 % OF QUEST MEMBERS SATISFIED WITH THE PROGRAM	88	88	88	88	88	88	88	88
3 % OF CHILDREN WHO ARE IMMUNIZED BY AGE 2	90	90	90	90	90	90	90	90
4 % OF LOW BIRTH WEIGHT BABIES	5	5	5	5	5	5	5	5
5 % OF CHILDREN IN NEED OF EPSDT SVS WHO RECEIVE SVS	66	66	66	66	66	66	66	66
PROGRAM TARGET GROUPS								
1 POTENTIAL NUMBER OF PERSONS ELIG FOR QUEST PROGRAM	133943	133943	133943	133943	133943	133943	133943	133943
2 NUMBER OF QUEST PROVIDERS WITHIN THE PLANS	1900	1900	1900	1900	1900	1900	1900	1900
PROGRAM ACTIVITIES								
1 # ON-SITE REVIEWS CONDUCTED BY MQD OR CONTRACTORS	200	200	200	200	200	200	200	200
2 NUMBER OF STUDIES/SURVEYS CONDUCTED	30	30	30	30	30	30	30	30
3 NUMBER OF CHILDREN IMMUNIZED BY AGE 2	18000	18000	18000	18000	18000	18000	18000	18000
4 NUMBER OF EPSDT SCREENS RECEIVED BY CHILDREN	68000	68000	68000	68000	68000	68000	68000	68000
5 NUMBER OF PERSONS IN THE QUEST PROGRAM	133943	133943	133943	133943	133943	133943	133943	133943
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	194,014	194,956	226,862	249,413	274,317	301,822	332,200	332,200
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	194,014	194,956	226,862	249,413	274,317	301,822	332,200	332,200
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	194,014	194,956	226,862	249,413	274,317	301,822	332,200	332,200
TOTAL PROGRAM REVENUES	194,014	194,956	226,862	249,413	274,317	301,822	332,200	332,200

A. Statement of Program Objectives

To enable those in need to maintain and improve their health by providing for payment of medical, dental and other professional services; hospital and other related health services through health plans participating in the QUEST program.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Requesting additional general funds of \$2,284,893 and \$5,250,000 in federal funds in FY06 and in FY07, \$10,159,412 in general funds and \$20,087,110 in federal ceiling to accommodate the increase in recipients counts and increase in rates to the medical health plans. Increases in recipients counts are due to outreach efforts by the Department to provide coverage to the uninsured residents of the state, especially uninsured children. Rates to the health plans were increased by 5% in FY04 and are estimated to increase by 6% in FY05, 5% in FY06. Despite a reduction in unemployment rates, the recipient count in the QUEST program has not decreased accordingly over the year and is projected to increase through FY07. Nationally and locally, health insurers are struggling with the continual rise in health care costs with the greatest cost driver being prescription drugs.

C. Description of Activities Performed

The implementation of QUEST, a Section 1115 Medicaid Waiver Demonstration Project, intends to provide greater access to health care while demonstrating budget neutrality.

D. Statement of Key Policies Pursued

The Med-QUEST Division developed and implemented a federally approved Section 1115 Medicaid Waiver Demonstration Program that permits individuals whose income is below 300% of the federal poverty level to enroll in managed care health which assures access to quality care. In approving the project, the Centers for Medicare and Medicaid Services (CMS), the federal agency that oversees Medicaid,

committed to providing federal funds for programs previously dependent on only general funds, i.e., the former State Health Insurance Plan (SHIP). With QUEST, children from gap groups who formerly did not have comprehensive health care coverage now have the same Early Periodic Screening and Diagnostic Testing coverage as the Medicaid children. The department will also pursue folding in the aged, blind and disabled population into managed care during the next biennium period.

E. Identification of Important Program Relationships

With the implementation of QUEST, the Department contracts with private medical and behavioral health plans that administer the actual provision of coverage for QUEST enrollees. These contracts must be monitored to ensure compliance with contract terms and compliance with federal requirements. The QUEST program has a contract with an External Quality Review Organization (EQRO) as required by CMS to assist the state in monitoring the quality of services delivered by the health plans.

F. Description of Major External Trends Affecting the Program

Although the economic condition of the State has improved, the department has continued its efforts to provide health insurance coverage for children. As the economy improves and more individuals are fully employed, the number of adults enrollees in the program may decline. However, many of the children remained uninsured and the department will continue to provide an outreach effort in order to cover these children.

The managed care plans have been able to successfully lower the cost of medical care by redirecting patients to more appropriate forms of care such as physician offices rather than emergency rooms and outpatient rather than inpatient care. However, given the current health care cost trends, particularly prescription drugs, which are rising at double digit rates, the plans will likely receive an increase in the actuarially sound rates. Additionally, given the current regulatory environment (at the state and

federal levels), there will be a greater administrative burden on the plans and the State to implement policies and procedures to assure that patient rights are protected. In the future, the cap on administrative costs will be adjusted upward to reflect the additional requirements placed on the plans.

G. Discussion of Cost, Effectiveness and Program Size Data

The staff strives to ensure program cost effectiveness and to take action on any significant program trends which jeopardize the projected budget. As federal and state laws focus on public assistance programs, specifically Medicaid, much program planning and analysis will be required to comply with changes in the laws.

H. Discussion of Program Revenues

The program receives 58.47% matching funds from Department of Health and Human Services, CMS for programs and 50.00% for administrative expenditures.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

PROGRAM ID: HMS301
PROGRAM STRUCTURE NO. 060101
PROGRAM TITLE: CHILD WELFARE SERVICES

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	451.50*	451.50*	451.50*	451.50*	451.5*	451.5*	451.5*	451.5*
PERSONAL SERVICES	18,705,194	19,414,215	20,330,927	20,330,927	20,331	20,331	20,331	20,331
OTHER CURRENT EXPENSES	27,629,242	27,629,242	27,629,242	27,629,242	27,630	27,630	27,630	27,630
EQUIPMENT	137,290	137,290	137,290	137,290	137	137	137	137
MOTOR VEHICLE	100,000	100,000	100,000	100,000	100	100	100	100
TOTAL OPERATING COST	46,571,726	47,280,747	48,197,459	48,197,459	48,198	48,198	48,198	48,198
BY MEANS OF FINANCING								
GENERAL FUND	264.44*	264.44*	264.44*	264.44*	264.5*	264.5*	264.5*	264.5*
SPECIAL FUND	20,136,734	20,586,476	21,057,140	21,057,140	21,057	21,057	21,057	21,057
OTHER FED. FUNDS	450,000	450,000	450,000	450,000	450	450	450	450
	187.06*	187.06*	187.06*	187.06*	187.0*	187.0*	187.0*	187.0*
	25,984,992	26,244,271	26,690,319	26,690,319	26,691	26,691	26,691	26,691
TOTAL POSITIONS	451.50*	451.50*	451.50*	451.50*	451.50*	451.50*	451.50*	451.50*
TOTAL PROGRAM COST	46,571,726	47,280,747	48,197,459	48,197,459	48,198	48,198	48,198	48,198

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-301
 PROGRAM STRUCTURE NO: 060101
 PROGRAM TITLE: CHILD WELFARE SERVICES

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % CAN REPTS FOR INVEST ENTERED IN CPSS W/IN 48 HRS	90	90	90	90	90	90	90	90
2 % CHDN W/CONFMD CAN W/NO PRIOR RPT OF CAN W/IN YR	92	92	92	92	92	92	92	92
3 %FAM REC CWS/OTH SVS FOR CHDN SUBSEQ TO CONFMD CAN	100	100	100	100	100	100	100	100
4 %CHDN IN OUT-OF-HOME CARE W/NO CAN WHEN OUT OF HOM	97	97	97	97	97	97	97	97
5 % CHDN OOH RETURNED TO FAM W/IN 12 MON OF OOH PLCT	82	82	82	82	82	82	82	82
6 % CHDN RET TO FAM DO NOT NEED OOH CARE W/IN 12 MON	95	95	95	95	95	95	95	95
7 % CHDN IN OUT-OF-HOME CARE PLACED IN FAM FOST HMS	87	87	87	87	87	87	87	87
8 % CHDN IN OOH CARE W/ =OR<2 PLCT CHGS W/IN 12 MON	85	85	85	85	85	85	85	85
9 % CHDN W/PERM CUSTODY ADOPTED W/IN 6 MON OF CUSTDY	20	20	20	20	20	20	20	20
10 % CHDN EXITING OOH CARE TO PERM ADOPT/GUARDN HOMES	25	25	25	25	25	25	25	25

PROGRAM TARGET GROUPS

1 CHDRN W/ REPTS OF CAN ASSIGNED FOR INVESTIGTN	6500	6500	6500	6500	6500	6500	6500	6500
2 CHDRN W/CONFMD ABUSE W/REPTD RECCURCE W/IN 12 MON	150	150	150	150	150	150	150	150
3 CHDRN W/REPORTS OF CAN WHILE IN OUT-OF-HOME CARE	140	140	140	140	140	140	140	140
4 CHDRN IN OOH CARE W/GOAL OF REUNIFICATION	1850	1850	1850	1850	1850	1850	1850	1850
5 CHDRN FOR WHOM PERM CUST AWRDED NEEDG PERM HOMES	350	350	350	350	350	350	350	350
6 CHDRN FOR WHOM PERM CUST AWRDED NEEDG ADOPTN SVS	450	450	450	450	450	450	450	450
7 CHDRN IN OOH CARE CHNGD PLACMT W/IN 1 YR OF PLACMT	1000	1000	1000	1000	1000	1000	1000	1000
8 CHDRN IN OOH CARE PLACED IN GRP HOMES OR INSTITS	125	125	125	125	125	125	125	125
9 CHDRN ELIGIBLE FOR TITLE IV-E SERVICES	2500	2500	2500	2500	2500	2500	2500	2500
10 # YOUTHS AGED 12-18 REQUIRING INDEP LIVING PREP SVS	1000	1000	1000	1000	1000	1000	1000	1000

PROGRAM ACTIVITIES

1 NUMBER OF CAN INVESTIGATIONS COMPLETED	6500	6500	6500	6500	6500	6500	6500	6500
2 # CAN REPTS W/ABUSE/NEGL/THREAT HARM AFTER INVSTGN	3600	3600	3600	3600	3600	3600	3600	3600
3 CHDRN W/COURT LEGAL STATUS OF FAM SUPVSN/FOST CUST	1600	1600	1600	1600	1600	1600	1600	1600
4 NO. OF CHILDREN PROVIDED CWS SERVICES	10500	10500	10500	10500	10500	10500	10500	10500
5 NO. CHDRN IN OOH CARE PROV FAM FOSTER CARE SVS	4100	4100	4100	4100	4100	4100	4100	4100
6 NO. OF LICENSED FAMILY FOSTER BOARDING HOMES	2500	2500	2500	2500	2500	2500	2500	2500
7 CHDN PERM CUST OBTAINED W/IN 1YR OF INIT OOH PLCT	175	175	175	175	175	175	175	175
8 NO. OF CHDRN PROVIDED PERMANENT PLACEMENT SERVICES	500	500	500	500	500	500	500	500
9 NO. OF CHDRN FOR WHOM ADOPTION IS COMPLETED	320	320	320	320	320	320	320	320
10 #YOUTHS AGED 12-18 PROVIDED INDEP LIVING PREP SVCS	300	300	300	300	300	300	300	300

PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):

TAXES								
LICENSES, PERMITS AND FEES	344	344	344	344	344	344	344	344
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	28,780	35,226	35,227	35,227	35,226	35,226	35,226	35,226
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	29,124	35,570	35,571	35,571	35,570	35,570	35,570	35,570

PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: **HMS-301**PROGRAM STRUCTURE NO: **060101**PROGRAM TITLE: **CHILD WELFARE SERVICES**

	<u>FY03-04</u>	<u>FY04-05</u>	<u>FY05-06</u>	<u>FY06-07</u>	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY09-10</u>	<u>FY10-11</u>
SPECIAL FUNDS	29,124	35,571	35,571	35,571	35,570	35,570	35,570	35,570
TOTAL PROGRAM REVENUES	29,124	35,571	35,571	35,571	35,570	35,570	35,570	35,570

Program Plan Narrative

HMS 301: CHILD WELFARE SERVICES

06 01 01

A. Statement of Program Objective

To enable children at risk of abuse/neglect to live in a safe and secure environment by providing in-home and out-of-home social services that benefit the children and their families.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Not applicable.

C. Description of Activities Performed

For children exposed to abuse/neglect or threat of harm and their families, the range of services include assessment and crisis intervention; child abuse/neglect investigation; case management; permanency planning and adoption; and licensing of foster homes and child placing organizations.

D. Statement of Key Policies Pursued

1. Chapter 346-14(2), Hawaii Revised Statutes (HRS), Establish, extend and strengthen services for the protection and care of abused and neglected children.
2. Chapter 346-17, HRS, Authority over and investigation of child placing organizations, child caring institutions, and family foster homes.
3. Chapter 350, HRS, Child Abuse and Chapter 587, HRS, Child Protective Act.
4. Public Law (PL) 96-272, Adoption and Child Welfare Act of 1980.
5. Child Abuse Protection and Treatment Act.
6. PL 105-89, Adoption and Safe Families Act.

E. Identification of Important Program Relationships

Within DHS, the most critical linkages are with the following Department programs: HMS 201 - Temporary Assistance to Needy Families; HMS 230 - Health Care Payments; HMS 303 - Child Out-of-Home Payments; and HMS 502 - Youth Services Program and HMS 901 – General Support for Social Services.

Linkages with other state agencies include: Department of Health; Judiciary – Family Court; Department of Education; and Department of Attorney General. County level relationships include the police and medical examiners. At the federal level there is the Department of Health and Human Services, Office of State Programs.

F. Description of Major External Trends Affecting the Program

1. Statewide reports of child abuse/neglect have increased to approximately 6,000 reports annually during the last several fiscal years. The number of Child Welfare Services (CWS) cases that are active with the Department at any point in time has risen from an average of 4,525 families in FY 2000 to an average of 4,882 families in FY 2002.
2. An estimated 85% of child abuse and neglect cases involved substance abuse during the current biennium.
3. There are continuing efforts to move Child Welfare Services (CWS) into the community, to increase community participation in planning service provision, and to coordinate service planning and provision with other state agencies.
4. DHS resources, in response to federal and state child welfare legislative changes, have been increasingly stretched to provide more services without increasing the necessary staffing and supporting resources. The amount and selection of services presently available internally, as well as in the service community, are not sufficient to meet the multiple service needs of our CWS clients. Increased efforts are being made to utilize departmental and

community resources in more effective and efficient ways through revised procedures and internal reorganization efforts.

5. The Department continues to prioritize the placement of children in homes of relatives or homes familiar to the child. This trend has increased the number of individual foster homes that require licensing, re-licensing and monitoring, without a significant increase in the number of available bedspaces.
6. There continues to be a shortage of foster and permanent homes for infants who have been drug exposed, teenagers, and sibling groups.

G. Discussion of Cost, Effectiveness and Program Size Data

DHS continues to provide a range of services directed at preserving the family unit and helping children remain in their own homes. With the passage of the federal Adoption and Safe Families Act of 1997, which promotes timely permanent placement for children in foster care by shortening deadlines for permanency hearings, DHS is also maintaining concurrent efforts to place children in adoptive and other permanent placements. The current level of personnel and services in CWS must, at a minimum, be maintained to ensure sufficient availability of timely, quality services to client families.

H. Discussion of Program Revenues

DHS continues to aggressively pursue the acquisition of federal funding from Title IV-E, Title IV-B, and other federal grants to fund existing and new program initiatives.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

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PROGRAM ID: HMS302
 PROGRAM STRUCTURE NO. 060102
 PROGRAM TITLE: CHILD CARE SERVICES

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	--IN DOLLARS--				--IN THOUSANDS--			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	24.00*	24.00*	24.00*	24.00*	24.0*	24.0*	24.0*	24.0*
PERSONAL SERVICES	1,903,182	1,961,911	2,090,585	2,090,585	2,090	2,090	2,090	2,090
OTHER CURRENT EXPENSES	4,712,178	4,712,178	4,712,178	4,712,178	4,712	4,712	4,712	4,712
TOTAL OPERATING COST	6,615,360	6,674,089	6,802,763	6,802,763	6,802	6,802	6,802	6,802
BY MEANS OF FINANCING								
GENERAL FUND	23.00*	23.00*	23.00*	23.00*	23.0*	23.0*	23.0*	23.0*
	1,057,071	1,083,275	1,155,792	1,155,792	1,155	1,155	1,155	1,155
OTHER FED. FUNDS	1.00*	1.00*	1.00*	1.00*	1.0*	1.0*	1.0*	1.0*
	5,558,289	5,590,814	5,646,971	5,646,971	5,647	5,647	5,647	5,647
TOTAL POSITIONS	24.00*	24.00*	24.00*	24.00*	24.00*	24.00*	24.00*	24.00*
TOTAL PROGRAM COST	6,615,360	6,674,089	6,802,763	6,802,763	6,802	6,802	6,802	6,802

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-302
 PROGRAM STRUCTURE NO: 060102
 PROGRAM TITLE: CHILD CARE SERVICES

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % REGULATED CC FACILIT RECEIVE LICENSURE	100	100	100	100	100	100	100	100
2 % REGULATED CC FACILIT W/ NO CONF RPT INJ/ABU/NEG	99	99	99	99	99	99	99	99
3 % CHDN RECVG CHD CARE SUB USING REGULATED CC FAC	36	38	40	40	40	40	40	40
4 %INC IN LIC-EXEMPT PROV RECVG DHS TRNG IN LAST FY	5	5	5	5	5	5	5	5
5 % REQ ONSITE & TEEN PARENT CHILD SLOTS FILLED/UTIL	75	80	80	80	80	80	80	80

PROGRAM TARGET GROUPS

1 POTENT # FAM NEEDG CC RESOURCES & REFERRAL SVCS	10486	10486	10486	10486	10486	10486	10486	10486
2 # DHS LICENSED CHILD CARE PROVIDERS	950	950	975	975	975	975	975	975
3 #LIC-EXEMPT CC PROVIDERS IN DHS CC SUBSID PROG	10123	10123	10123	10123	10123	10123	10123	10123
4 POT# SLOTS AVAIL - ONSITE & TEEN PARENT CHILD CARE	17640	17640	17640	17640	17640	17640	17640	17640

PROGRAM ACTIVITIES

1 # CHDRN RECV ONSITE & TEEN PAR CHILD CARE DURG YR	12230	12230	12230	12230	12230	12230	12230	12230
2 # FAMILIES WHO RECEIVE SUPPORTIVE SVCS THRU CCCH	1100	1100	1100	1100	1100	1100	1100	1100
3 # FAM RECEIVE DHS SPONSOR CC RESOURCE &REFER SVCS	7400	7400	7400	7400	7400	7400	7400	7400
4 # PROVIDERS WHO ARE LICENSED/RELICENSED	1470	1470	1470	1470	1470	1470	1470	1470
5 # CHILD CARE SLOTS AVAILABLE DUE TO LICENSING	21121	21121	21121	21121	21121	21121	21121	21121
6 # LIC PROVID REC TECH ASST OR DHS SPON TRAINING	1550	1550	1550	1550	1550	1550	1550	1550
7 # PROVID INVESTIGATED FOR HEALTH & SAFE VIOLATNS	55	55	55	55	55	55	55	55
8 # LIC-EXEMPT CC PROVID RECEIVE HEALTH & SAFE INFO	10400	10400	10400	10400	10400	10400	10400	10400
9 # LICENSE-EXEMPT CC PROVIDERS RECVG DHS-SPON TRNG	8150	8150	8150	8150	8150	8150	8150	8150

PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):

TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	5,256	5,256	5,256	5,256	5,256	5,256	5,256	5,256
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	5,256	5,256	5,256	5,256	5,256	5,256	5,256	5,256

PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):

SPECIAL FUNDS	5,256	5,256	5,256	5,256	5,256	5,256	5,256	5,256
TOTAL PROGRAM REVENUES	5,256	5,256	5,256	5,256	5,256	5,256	5,256	5,256

Program Plan Narrative

HMS 302 Child Care Services

06 01 02

A. Statement of Program Objectives

To promote the self-sufficiency of low income families who are employed, in training, or in education by providing access to comprehensive child care resources and services which assure the basic health and safety of children.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

No request for FB 04 and 05.

C. Description of Activities Performed

The Child Care Connection Hawaii (CCCH) Program provides child care subsidies and support services to eligible families. It also sets standards and regulates child care homes, group child care homes and centers, infant/toddler centers, and before/after school care. The child care subsidy services statewide are provided through Purchase of Service (POS) contracts.

D. Statement of Key Policies Pursued

Chapter 346-14, Hawaii Revised Statutes and Hawaii Administrative Rules Chapter 17-798 provide the basis for the subsidies and support services and Chapters 17-891.1, 17-892.1, 17-895 and 17-896 provide the statutory and administrative base for the regulatory activities.

E. Identification of Important Program Relationships

Close coordination is maintained with the following DHS programs: HMS 301, Child Welfare Services and HMS 236, Eligibility Determination & Employment Related Services. In addition, CCCH coordinates with other community child care programs including HeadStart, the Kamehameha Schools Early Education Program, PATCH (Resource and Referral Services), the

Department of Education, the Department of Health, Alu Like, the University of Hawaii, and the community colleges.

F. Description of Major External Trends Affecting the Program

The nation continues to experience a critical lack of affordable, accessible, quality child care and Hawaii's high cost of living only magnifies the "child care crisis." Parents from both single and two parent households are forced to rely on substitute care for their young children, in order to meet the high cost of living through employment.

Recruitment, development and retention of qualified child care staff remains problematic in most areas of the state. A major contributing factor is low teacher salaries that deters interested and qualified personnel from remaining or entering the child care profession. The high rate of turnover among staff negatively affects the consistency and quality of care provided to children.

The high operating costs of facilities also contributes to the cost of care.

G. Discussion of Cost, Effectiveness, and Program Size Data

There are approximately 80,000 children between the ages of 0-5 years who are estimated to need child care. Yet there were only 19,180 regulated spaces available in 963 family child care homes or group child care centers in FY 04. The unmet need crosses all ages of children; however, the greatest need is for programs for infants and toddlers. The supply of these programs is very limited and the cost to operate them is between \$500 and \$800 per month, far in excess of most of Hawaii's families' ability to pay.

H. Discussion of Program Revenues

CCCH is funded by a combination of State and Federal funds including the Child Care Development Fund (CCDF). Under the Personal Responsibility

and Work Opportunity Reconciliation Act (PRWORA), P.L. 104-193, this block grant consolidates the following child care funding sources: IV-A child care, the Child Care and Development Block Grant, At-Risk, and Transitional Child Care. Additionally, TANF funds have been used since FY 98 to provide for child care services and subsidies in excess of those provided for by CCDF.

I. Summary of Analysis Performed

None.

J. Further Considerations

The child care system of the nation is in crisis. The number of child care resources is far below the need and demand for care. Families are experiencing extreme difficulty in meeting the cost of child care even when child care resources are located. Meanwhile, child care providers are unable to expand or maintain their child care business without fee or salary increases to attract qualified staff or to meet other expenses.

Public Law 104-193 has combined federal child care funds into a block grant. Together with State funds, CCCH can provide a "seamless system" of child care assistance for Hawaii's families. The "seamless system", designed for ease of access, is a "one stop" application for multiple funding sources, that focuses on continuity of care and the minimization of changes in care due to family situation.

CCCH targets employed parents, parents in education or training programs, or children in need of child care for protective service reasons. In FY 04, the Department issued approximately \$41 million in child care subsidies through direct subsidies and contracted care, for an average of 11,574 children per month.

The licensing efforts target family child care providers and group child care centers and homes which can accommodate more child care slots. Thus, the regulatory services increase the resources in the community and reduce the wait list for child care.

Regulatory activities also minimize abuse and neglect of children in child care facilities by ensuring minimum health and safety standards.

In FY 02, 1,550 staff from child care programs were provided with training, support services, and technical assistance.

Child care expansion efforts are desperately needed to support Hawaii's families towards personal and financial self-sufficiency and to ensure its children safe and healthy development.

PROGRAM ID: HMS303
 PROGRAM STRUCTURE NO. 060103
 PROGRAM TITLE: CHILD OUT-OF-HOME PAYMENTS

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	-IN DOLLARS-				-IN THOUSANDS-			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
CAPITAL IMPROVEMENT COSTS								
OTHER CURRENT EXPENSES	45,260,712	52,711,198	57,894,523	64,911,679	64,912	64,912	64,912	64,912
TOTAL OPERATING COST	45,260,712	52,711,198	57,894,523	64,911,679	64,912	64,912	64,912	64,912
BY MEANS OF FINANCING								
GENERAL FUND	30,579,126	36,827,090	39,908,053	44,816,013	44,816	44,816	44,816	44,816
OTHER FED. FUNDS	14,681,586	15,884,108	17,986,470	20,095,666	20,096	20,096	20,096	20,096
TOTAL POSITIONS								
TOTAL PROGRAM COST	45,260,712*	52,711,198*	57,894,523*	64,911,679*	64,912*	64,912*	64,912*	64,912*

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-303

PROGRAM STRUCTURE NO: 060103

PROGRAM TITLE: CHILD OUT-OF-HOME PAYMENTS

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 %ELIG CHDRN IN OOH CARE REQRG & RECVG BOARD PAYMTS	100	100	100	100	100	100	100	100
PROGRAM TARGET GROUPS								
1 # CHDRN IN OUT-OF-HOME CARE ELIG FOR BOARD PAYMTS	5400	5400	5400	5400	5400	5400	5400	5400
PROGRAM ACTIVITIES								
1 #CHDRN PROV PYMTS FOR RELATIVE/NON-REL FOSTER CARE	4400	4400	4400	4400	4400	4400	4400	4400
2 # CHDRN PROVIDED PAYMTS FOR EMERGENCY SHELTER CARE	850	850	850	850	850	850	850	850
3 # CHDRN PROVIDED PAYMENTS FOR HIGHER EDUCATION	80	80	80	80	80	80	80	80
4 # CHDRN PROVIDED PAYMENTS FOR PERMANENCY ASSISTNCE	775	775	775	775	775	775	775	775
5 # CHDRN PROVIDED PAYMENTS FOR ADOPTION ASSISTANCE	1750	1750	1750	1750	1750	1750	1750	1750
6 # CHDRN PROVIDED PAYMENTS FOR BOARD RELATED SVCS	3750	3750	3750	3750	3750	3750	3750	3750
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	13,793	11,357	11,357	11,357	11,357	11,357	11,357	11,357
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	13,793	11,357	11,357	11,357	11,357	11,357	11,357	11,357
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	13,793	11,357	11,357	11,357	11,357	11,357	11,357	11,357
TOTAL PROGRAM REVENUES	13,793	11,357	11,357	11,357	11,357	11,357	11,357	11,357

Program Plan Narrative

HMS 303: CHILD OUT-OF-HOME PAYMENTS

06 01 03

A. Statement of Program Objectives

To assure an adequate standard of living for children who are unable to be maintained in their family home because of abuse, neglect or inability of the family to provide them adequate care and supervision by providing payment for room and board, and costs related to care or assistance in family preservation/reunification or adoption.

Administrative Rules (HAR) provide the basis for reimbursement for living costs of children in care. In addition, Public Law (PL) 96-272, Title IV-E and Title IV-B of the Social Security Act; PL 105-89, Adoption and Safe Families Act; Chapter 587, HRS, and Chapters 17-920.1, 17-943.1, 17-944.1 and 17-945 HAR provide the basic guidelines for the involvement of the caregivers in planning and implementing the plan of service for children in care. Title IV-E provides federal reimbursement for board paid for eligible children.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The program is requesting an increase of general and federal funds for FY 06 and FY 07. The request will allow the program to make board and board-related payments to meet the projected increases in costs for children who are removed from their family home for their safety due to harm or threatened harm from their family members.

FY 06	FY 07	MOF
\$3,080,963	\$7,988,923	A
\$2,102,362	\$4,211,558	N

C. Description of Activities Performed

Provide payments for foster care; emergency shelter; permanent custodians; foster youths attending higher education; difficulty of care services for children who present difficulties in their physical, emotional or psychological functioning; and subsidies to facilitate adoption for children with special needs. Payments also cover basic daily living needs and other essentials such as clothing, transportation to school and visitation/services to facilitate reunification or to prevent out-of-home placement.

D. Statement of Key Policies Pursued

Chapter 346, Hawaii Revised Statutes (HRS), and Chapter 17-828, Hawaii

E. Identification of Important Program Relationships

Close coordination must be maintained with the following Department of Human Services (DHS) programs: HMS 301 - Child Welfare Services; HMS 901 - General Support for Social Services; HMS 201 - Temporary Assistance to Needy Families; HMS 230 - Health Care Payments; HMS 502 - Youth Services Programs; HMS 503 - Youth Residential Programs; and the Administrative Appeals Office.

Other State agencies requiring coordination: Department of Health, Judiciary - Family Courts, Department of Education, and Attorney General's Office.

Federal coordination: Department of Health and Human Services, Office of State Programs.

The program also works closely with private child-placing and child-caring organizations and various committees and advocacy groups in the community.

F. Description of Major External Trends Affecting the Program

During the past several years, the problem of child abuse and neglect has grown in complexity and seriousness. This has resulted in an increase in the total number of children who are placed outside of the family home and for whom the Department makes board and client related payments. Additionally, passage of revisions to the Child Abuse and Treatment Act and the Adoption and Safe Families Act has enacted additional statutory requirements which the Department must meet to be eligible for federal funds.

G. Discussion of Cost, Effectiveness, and Program Size Data

The Department continues to experience an increase in the number of children for whom adoption assistance and adoption assistance difficulty-of-care payments must be made. The number of children becoming eligible has out-paced the number of children who are exiting care. This is the largest single component of HMS 303 and has grown from \$8,580,638 in FY 01 to \$13,535,997 in FY 03 and is projected at approximately \$20.5 million for 2,612 children in FY 06. This growth is reflective of the general trend throughout the nation. A study conducted under contract to the Assistant Secretary of Planning and Evaluation, US Department of Health and Human Services found that the number of children receiving adoption assistance will continue to grow to the point where it will exceed the number of children in foster care.¹ Similarly, the cost of funding this program will continue to increase.

H. Discussion of Program Revenue

Federal revenues include: Title IV-B, Child Welfare Services funds, and Title IV-E, foster care maintenance payments and adoption assistance matching funds. The program plans to cover the projected increases in expenditures through a combination of general and federal fund increases and by accessing available TANF funding for eligible clients. The program intends to increase its ongoing efforts to earn Title IV-E funds through maximization of eligible claims.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

¹ "Growth in the Adoption Population", for the *Issue Papers on Foster Care and Adoption* series.
<http://www.aspe.hhs.gov/hsp/fostercare-issues02/adoption/index.htm>

PROGRAM ID: HMS305
 PROGRAM STRUCTURE NO. 060104
 PROGRAM TITLE: CHILD CARE PAYMENTS

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
CAPITAL IMPROVEMENT COSTS								
OTHER CURRENT EXPENSES	61,943,778	61,943,778	61,943,778	61,943,778	61,944	61,944	61,944	61,944
TOTAL OPERATING COST	61,943,778	61,943,778	61,943,778	61,943,778	61,944	61,944	61,944	61,944
BY MEANS OF FINANCING								
GENERAL FUND	22,411,811	22,411,811	22,411,811	22,411,811	22,412	22,412	22,412	22,412
OTHER FED. FUNDS	39,531,967	39,531,967	39,531,967	39,531,967	39,532	39,532	39,532	39,532
TOTAL POSITIONS	*	*	*	*	*	*	*	*
TOTAL PROGRAM COST	61,943,778	61,943,778	61,943,778	61,943,778	61,944	61,944	61,944	61,944

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-305

PROGRAM STRUCTURE NO: 060104

PROGRAM TITLE: CHILD CARE PAYMENTS

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % TANF/TAONF FAM REC CC SUBSID TO MAINTN EMPL/TRNG	13	13	13	13	13	13	13	13
2 % FTW PARTICIPANTS WHO RECEIVE CHILD CARE SUBSIDS	38	38	38	38	38	38	38	38
3 %ELIG NON-WELF FAM REC CC SUBSID TO KEEP EMPL/TRNG	18	18	18	18	18	18	18	18
4 % ELIG POD FAMILIES WHO RECEIVE POD SUBSIDIES	72	72	72	72	72	72	72	72
PROGRAM TARGET GROUPS								
1 POTENTIAL # FAMILIES ELIG FOR CHILD CARE SUBSIDS	41983	41983	41983	41983	41983	41983	41983	41983
2 # OF TANF-TAONF RECIPIENTS	16940	16940	16940	16940	16940	16940	16940	16940
3 NUMBER OF FIRST-TO-WORK PARTICIPANTS	12475	12475	12475	12475	12475	12475	12475	12475
4 #LO-INC NON-WELF FAM APPLY FOR CC SUB THRU CCCH	8500	9000	9000	9000	9000	9000	9000	9000
5 # OF CPS FAM REFERRD FOR CC SUBSID FOR PROT RSNS	159	159	159	159	159	159	159	159
6 POTENTIAL # FAM ELIG FOR PRESC OPEN DOORS CC SUB	3485	3485	3485	3485	3485	3485	3485	3485
PROGRAM ACTIVITIES								
1 AVERAGE NUMBER OF CHILD CARE CASES/MONTH	23500	24000	24000	24000	24000	24000	24000	24000
2 AVERAGE MONTHLY CHILD CARE PAYMENT PER CASE	255	255	265	265	265	265	265	265
3 NUMBER OF CHILDREN RECEIVING DHS CHILD CARE SUBS	39500	41000	41000	41000	41000	41000	41000	41000
4 NUMBER OF FAMILIES RECEIVING DHS CC SUBSIDS	24456	24456	24456	24456	24456	24456	24456	24456
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	25,610	25,610	25,610	25,610	25,610	25,610	25,610	25,610
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	25,610	25,610	25,610	25,610	25,610	25,610	25,610	25,610
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	25,610	25,610	25,610	25,610	25,610	25,610	25,610	25,610
TOTAL PROGRAM REVENUES	25,610	25,610	25,610	25,610	25,610	25,610	25,610	25,610

Program Plan Narrative

HMS 305: CHILD CARE PAYMENTS

06 01 04

A. Statement of Program Objectives

To provide child care subsidies which promote the self-sufficiency of low-income families who are employed, or in approved training or education.

B. Description of Request and Compliance with Act 263, SLH 1994

No request for additional resources in FB 06 and 07.

It is the experience of the department that the State infrastructure for welfare payment programs is vastly superior to that available in the private sector. In past Act 90 analyses, we have noted that the cost of re-creating payment systems is enormously costly. Also, private vendors lack historical and current program knowledge that permits line units to function in a cost-effective manner. We therefore believe that it is more cost effective for this program to be maintained within the department.

C. Description of Activities Performed

The Child Care Connection Hawaii (CCCH) Program provides child care subsidies and support services to eligible families. CCCH targets employed parents, or parents in education or training programs, or children in need of child care for protective service reasons. In FY 04, the Department issued approximately \$41 million for an average of 11,574 children per month.

D. Statement of Key Policies Pursued

Chapter 346-14, Hawaii Revised Statutes and Hawaii Administrative Rules Chapter 17-798.1 provide the basis for the subsidies and support services and Chapters 17-891.1, 17-892.1, 17-895 and 17-896 provide the statutory and administrative base for the regulatory activities.

E. Identification of Important Program Relationships

Close coordination is maintained with the following DHS programs: HMS 301, Child Welfare Services; HMS 236, Eligibility Determination & Employment

Related Services; and HMS 302, Child Care Services. In addition, CCCH coordinates with other community child care programs including HeadStart, the Kamehameha Schools Early Education Program, Patch (Resource and Referral Services), the Department of Education, the Department of Health, the Department of the Attorney General, Alu Like, the University of Hawaii, and the community college system.

F. Description of Major External Trends Affecting the Program

The nation continues to experience a critical lack of affordable, accessible, quality child care and Hawaii's high cost of living only magnifies the "child care crisis." Parents from both single and two parent households are forced to rely on substitute care for their young children, in order to meet the high cost of living through employment.

Recruitment, development and retention of qualified child care staff remains problematic in most areas of the state. A major contributing factor is low teacher salaries that deters interested and qualified personnel from remaining or entering the child care profession. The high rate of turnover among staff negatively affects the consistency and quality of care provided to children.

The high cost of facilities also contributes to the cost of care.

The pre-kindergarten and school readiness are the other two key issues the Department is focusing on currently. There is also an increase in the quality child care initiatives.

G. Discussion of Cost, Effectiveness and Program Size Data

There are approximately 80,000 children between the ages of 0-5 years who are estimated to need child care. Yet there were only 19,180 regulated spaces available in 963 family child care homes or group child care centers in FY 04. The unmet need crosses all ages of children; however, the greatest need is for programs for infants and toddlers. The supply of these programs is very limited and the cost to operate them is between \$500 and \$800 per month, far in excess of most of Hawaii's families' ability to pay.

H. Discussion of Program Revenues

CCCH is funded by a combination of State and Federal funds including the Child Care and Development Fund. Under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), P.L. 104-193, this block grant consolidates the following child care funding sources: IV-A child care, the Child Care and Development Block Grant, At-Risk, and Transitional Child Care. Additionally, Temporary Assistance to Needy Families funds have been used since FY 98 to provide for child care services and subsidies in excess of those provided for by CCDF.

I. Summary of Analysis Performed

None.

J. Further Considerations

The number of child care resources is far below the need and demand for care. Families are experiencing extreme difficulty in meeting the cost of child care even when child care resources are located. Meanwhile, child care providers are unable to expand or maintain their child care business without fee or salary increases to attract qualified staff or to meet other expenses.

Public Law 104-193 has combined federal child care funds into a block grant. Together with State funds, CCCH can provide a "seamless system" of child care assistance for Hawaii's families. The "seamless system," is designed for ease of access, a "one stop" application for multiple funding sources, focused on continuity of care and the minimization of changes in care due to family situation.

Child care expansion efforts are needed to support Hawaii's families towards personal and financial self-sufficiency and to ensure its children safe and healthy development.

PROGRAM ID: HMS501
PROGRAM STRUCTURE NO. 06010501
PROGRAM TITLE: YOUTH SERVICES ADMINISTRATION

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	21.00*	21.00*	21.00*	21.00*	21.0*	21.0*	21.0*	21.0*
PERSONAL SERVICES	978,974	982,809	1,106,230	1,106,230	1,106	1,106	1,106	1,106
OTHER CURRENT EXPENSES	4,564,668	4,564,668	4,564,668	4,564,668	4,565	4,565	4,565	4,565
TOTAL OPERATING COST	5,543,642	5,547,477	5,670,898	5,670,898	5,671	5,671	5,671	5,671
BY MEANS OF FINANCING								
GENERAL FUND	21.00*	21.00*	21.00*	21.00*	21.0*	21.0*	21.0*	21.0*
	1,145,659	1,149,203	1,186,087	1,186,087	1,186	1,186	1,186	1,186
OTHER FED. FUNDS	*	*	*	*	*	*	*	*
	4,397,983	4,398,274	4,484,811	4,484,811	4,485	4,485	4,485	4,485
TOTAL POSITIONS	21.00*	21.00*	21.00*	21.00*	21.00*	21.00*	21.00*	21.00*
TOTAL PROGRAM COST	5,543,642	5,547,477	5,670,898	5,670,898	5,671	5,671	5,671	5,671

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-501
 PROGRAM STRUCTURE NO: 06010501
 PROGRAM TITLE: YOUTH SERVICES ADMINISTRATION

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % RECOMMENDATIONS IMPLEMENTED LEG OR ADMIN	70	70	70	70	70	70	70	70
PROGRAM TARGET GROUPS								
1 PUBLIC SECTOR AGENCIES PROVG PROG & SVCS FOR YOUTH	25	25	25	25	25	25	25	25
2 PRIV SECTOR AGENCIES PROVG PROG & SVCS FOR YOUTH	40	40	40	40	40	40	40	40
3 PERSONNEL IN THE AGENCY	29	33	37	44	44	44	44	44
PROGRAM ACTIVITIES								
1 # TRAINING & TECH ASSISTANCE EVENTS CONDUCTED	35	35	28	28	28	28	28	28
2 # PROGRAM MONITORING/VISITATIONS	150	150	125	125	125	125	125	125
3 # REPORTS/STUDIES/EVALUATIONS COMPLETED	6	6	6	6	6	4	4	4
4 # INTERAGENCY COLLAB/COORD EFFORTS INV/CONVENED	46	46	46	46	46	46	46	46
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	2,547	1,252						
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	2,547	1,252						
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	2,547	1,252						
TOTAL PROGRAM REVENUES	2,547	1,252						

A. Statement of Program Objectives

To enhance program effectiveness and efficiency by formulating policies, executive direction/planning, budgeting/program operations oversight, personnel support services, and other administrative and housekeeping services.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

None.

C. Description of Activities Performed

In 1989, the Hawaii State Legislature recognized the need for the creation of the Office of Youth Services (OYS) to assume the leadership role in developing and insuring a comprehensive continuum of services for children and families. The OYS would be specifically charged with the responsibility for maintaining a continuum of services to meet the needs of at-risk youth across the State. The legislation, known as Act 375, would also place the administration of the Hawaii Youth Correctional Facility (HYCF) under the OYS.

The Act called for the creation of "a single entity ... to coordinate the delivery of services, and provide a continuum of programs to eliminate gaps and provide a clear sense of responsibility and accountability for youth services." The Act also noted the "need for statewide planning and system coordination; oversight of activities and services; and evaluation and monitoring of the effectiveness of these services."

The purpose of the OYS is "...to provide services and programs for youth at risk under an umbrella agency in order to facilitate optimum service delivery, to prevent delinquency, and to reduce the incidence of recidivism among juveniles through the provision of prevention rehabilitation, and treatment services." It was also envisioned that the OYS would be "responsible for program planning and

development, intake/assessment, oversight, as well as consultation, technical assistance, and staff training relating to the delivery of services."

A Strategic Plan was developed for the OYS in 1991. The plan operationalized the purpose of the OYS as articulated in the legislation and included the major steps that needed to be taken to make the vision of OYS a reality. In 2004, OYS began updating the Strategic Plan to include a more current vision, mission and goals to meet the current needs.

Clearly the subject of where we are today builds upon the successes and careful planning of the past. A glance back at the original Strategic Plan submitted to the 1991 Legislature by then Office of Youth Services, Director Wayne Matsuo reflects a broad vision of what could be accomplished. Even today, the efforts of the Office of Youth Services are based upon the original plan. While some parts were never fully implemented, the basic vision remained sound. Changes in population, risk and protective factors, community needs, and the economy have all contributed to a need for an update of the strategic plan in the future.

The Office of Youth Services was established before the Hawaii Youth Correctional Facility was moved from the Department of Corrections. The transition and subsequent reorganizations merged two diverse programs (corrections and programs) under the umbrella conceived by the original plan. In theory this made good sense, but in reality, some areas were weakened by the merge. The Office of Youth Services still grapples with the responsibility for the correctional facility, its role in providing youth service centers statewide with inadequate funding, and the challenge of leading the state in prevention services for youth.

While a continuum of services exists on paper, in reality programs and implementation are in need of refocus and updated planning. In the coming year, the OYS will address programming that is adjusted to the needs of the types of children served, community programs that provide capacity building and support to address

the needs of children in the juvenile justice system, and broader areas that include delinquency and substance abuse prevention programs.

D. Statement of Key Policies Pursued

The OYS will continue to pursue key policies and initiatives in the following areas:

- Redirect the youth service center concept regionally by geographic districts to provide the coordination and support of prevention and diversion programs.
- Improve the standard of care and custody at the HYCF to nurture and support the redirection of troubled youth in our care and supervision.
- Begin long range plans for a transition cottage or "safe haven" for youth on probation who voluntarily return for additional program support through existing youth service center or transitional service programs to prevent recidivism and re-incarceration.
- Increase programs that address the specific needs of girls throughout the state and at the HYCF.
- Advocate for and effectuate prevention through the establishment and strengthening of the youth service centers throughout the State.
- Develop programs that serve as alternatives to incarceration at the HYCF for youth who do not require the level of security and custody that the institution provides.
- Provide technical assistance and training to all service providers as well as staff within the OYS organization to improve the quality and increase the capacity of youth services in the State.

- Improve our existing outcome-based management model to ensure that effective programs and services are being provided and procured.
- Develop and implement a funding strategy to maximize federal resources to supplement existing State resources.
- Continue efforts to strengthen and support the development and maintenance of viable youth service organizations across the State that are able to provide effective programs and services for at-risk youth.

E. Identification of Important Program Relationships

The OYS will continue to work toward strengthening its collaboration efforts with other youth serving agencies. This would assist in the provision of more efficient and effective range of services for our at-risk youth population from prevention to institutional aftercare services. Efforts in working more closely with various public agencies, state departments, and the Judiciary will continue in order to better coordinate the State's efforts in providing services to our at-risk youth population.

F. Description of Major External Trends Affecting the Program

While juvenile crime shows a downward trend, the complexity of services needed to address children with special needs, behavior problems, and mental health issues has dramatically increased the kind and cost of services nationally. Also, problems of substance abuse add greatly to our youth in the juvenile justice system.

Nationally, the Department of Justice is continuing to address the low standards of practice within juvenile detention and correctional facilities.

G. Discussion of Cost, Effectiveness, and Program Size Data

Dollars redirected to geographic districts should reap benefits by increasing community capacity to develop and increase local resources to match state dollars. An increase state standards will attract increased federal funding for pilot programs

and successful initiatives. Increased sanctions at a circuit level will decrease the cost per circuit (per capita) at HYCF. Increased parole services will save money by preventing re-incarceration (usually reflected in the adult system). Reducing chances for re-committing crimes is always a savings to the taxpayer. Preventing re-incarceration is less costly than incarceration. Girls are more likely to be incarcerated for less serious offenses than boys. By addressing the needs of girls statewide more appropriately, the state can avoid costly incarceration at HYCF. Increased training of employees will increase the chances for redirection and successful reentry which ultimately should be a cost savings to the state. Prevention pays in the long run, just as a savings account builds slowly. Any efforts to prevent youth from coming to HYCF is a cost savings to the state over time.

As the OYS develops and coordinates a statewide continuum of services, a more realistic administrative infrastructure will be necessary to plan, implement, monitor and evaluate programs and services. Absent the necessary administrative structure and the necessary resources to support this initiative, the ability of the OYS to maintain a system of accountability for the direct care and supervision of youth, as mandated by Act 375, will remain limited.

H. Discussion of Program Revenues

State and federal moneys fund the program. The federal Juvenile Justice Accountability Incentive Block Grant requires that interest be earned on any cash balances in this account. All interest earned from these funds must be used for program purposes.

I. Summary of Analysis Performed

The Office of Youth Services has undergone strategic planning with staff in anticipation of decentralization of program staff. We will be seeking assistance in the final drafting of an updated strategic plan to reflect these changes. The HYCF will undergo a similar process that includes reorganization, the rewriting of policies and

procedures, and implementation of Performance-based Standards in conjunction with the Council of Juvenile Corrections Administrators (CJCA).

J. Further Considerations

During the past year, the HYCF has undergone significant improvement to address past patterns of practice, safety, security, and the well-being of the youth in our care. We are presently under federal investigation by the Department of Justice to assess our standards of practice and care. We welcome their perspective on our progress. The outcome of this investigation will likely have an impact on our budget and at this point remains unpredictable. It should be noted that many departments within the state have given unconditional support in making improvements to HYCF which could mitigate the state from facing more costly damages.

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PROGRAM ID: HMS502
 PROGRAM STRUCTURE NO. 06010502
 PROGRAM TITLE: YOUTH SERVICES PROGRAMS

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	*	*	*	*	*	*	*	*
PERSONAL SERVICES	83,643	86,127	79,112	79,112	79	79	79	79
OTHER CURRENT EXPENSES	4,778,038	4,857,538	4,762,538	4,762,538	4,763	4,763	4,763	4,763
TOTAL OPERATING COST	4,861,681	4,943,665	4,841,650	4,841,650	4,842	4,842	4,842	4,842
BY MEANS OF FINANCING								
GENERAL FUND	3,552,339	3,634,323	3,532,308	3,532,308	3,532	3,532	3,532	3,532
OTHER FED. FUNDS	1,309,342	1,309,342	1,309,342	1,309,342	1,310	1,310	1,310	1,310
TOTAL POSITIONS	*	*	*	*	*	*	*	*
TOTAL PROGRAM COST	4,861,681	4,943,665	4,841,650	4,841,650	4,842	4,842	4,842	4,842

PROGRAM ID: HMS-502
 PROGRAM STRUCTURE NO: 06010502
 PROGRAM TITLE: YOUTH SERVICES PROGRAMS

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % AGENCIES ACHIEVG ESTAB PERF TARGETS/MILESTONES	37	37	37	37	37	37	37	37
PROGRAM TARGET GROUPS								
1 YOUTHS AGED 5 - 19 YEARS	246688	240355	247179	254198	261414	268837	268837	268837
PROGRAM ACTIVITIES								
1 # SVCS/PROGS IN CONTINUUM OFSVS FOR YOUTHS	70	70	70	70	70	70	70	70
2 #YOUTHS ENROLLD/ACTIVELY INVOLVD IN PROGS/SERVICES	16000	16000	16000	16000	16000	16000	16000	16000
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079
TOTAL PROGRAM REVENUES	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079

Program Plan Narrative

HMS 502: YOUTH SERVICES PROGRAMS

06 01 05 02

A. Statement of Program Objective

To facilitate optimum service delivery, to prevent delinquency and to reduce the incidence of recidivism among juveniles through the provision and coordination of a continuum of services statewide for youth.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

None.

C. Description of Activities Performed

The OYS continues the planning and program development function for youth services as mandated by Act 375, SLH 1989. The OYS has continued to fund, with both federal and state dollars, a variety of programs and services ranging from prevention to institutional aftercare. During the past biennium the OYS continued to fund a range of youth services in a more comprehensive and consolidated manner. The Youth Service Centers (YSC) continued to be the primary vehicle in which a variety of prevention services for youth were delivered. The mission of the YSCs is to provide a safe environment and a central focus where all at-risk youth can develop competencies that foster resiliency and enable them to achieve a successful transition to young adulthood. The YSC offers a variety of activities that can serve as a central focal point for community life. Additional Federal funds from the Department of Human Services were also used to support three additional Youth Service Centers in the Kalihi area on Oahu, as well as to provide additional services at various YSC programs statewide in regards to teen pregnancy prevention and family strengthening services.

The decentralization efforts to move the OYS staff into communities across the state was initiated during this past biennium period. Efforts to assess and align current programs and services with the anticipated changes in the organizational

structure were, and continue to be, a high priority. The Youth Gang Response System (YGRS) as a separate and defined initiative is anticipated to be folded into the larger OYS organizational structure. Efforts and initiatives addressed by the YGRS will be incorporated into the various initiatives and efforts by the OYS specialists that will be working in different geographic areas statewide.

D. Statement of Key Policies Pursued

- Assist youth service agencies statewide adjust to the anticipated changes to the OYS Program Development Office from a centralized organization to a more decentralized and community-oriented agency.
- Advocate for and effectuate prevention through the establishment and strengthening of the youth service centers throughout the state.
- Support family strengthening efforts aimed at reducing the number of youth involved in the juvenile justice system.
- Continue to implement and support an outcome-based management model to ensure that effective programs and services are being provided and procured.
- Provide technical assistance, training and other resources to youth services agencies across the state to improve the effectiveness of services.

E. Identification of Important Program Relationships

The OYS will continue to work toward strengthening its collaboration efforts with various public sector organizations as well as private sector youth serving agencies. This would assist in the provision of more efficient and effective range of services for our at-risk youth population and their families, from prevention programs to institutional aftercare services. One of the major driving forces behind the decentralization of the OYS is the desire to empower and support community partnerships/collaboration to maximize existing resources.

F. Description of Major External Trends Affecting the Program

The pending federal Department of Justice investigation of the Hawaii Youth Correctional Facility (HYCF) will affect the range of community-based services developed and maintained by the OYS. Establishment of various programs and services that impact the number and type of youth committed to or diverted from HYCF will shape the types of services developed and maintained. The decentralization of the OYS will also impact how contract programs and other initiatives are overseen and managed as well as determine the configuration of services required based on the assessed needs of communities across the state.

G. Discussion of Cost, Effectiveness, and Program Size Data

The continuum of care concept dictates that a range of flexible programs be available to meet the needs of youth and their families. Having a more decentralized system will enable the OYS to better assess the types of services needed within communities and to more closely monitor and oversee programs. YSCs will continue to serve as the focal point for an array of services conveniently located and accessible to youth and families, and would be a cost-effective way of delivering these services at the community level.

H. Discussion of Program Revenues

State and federal moneys fund the program.

I. Summary of Analysis Performed

The OYS continues to develop and maintain an internal data collection system in order to better assess the effectiveness of the services procured by the office. The continued implementation and support of an outcome based-management system is another important aspect of the office's overall quality assurance efforts.

External evaluations have been and will continue to be conducted to provide a balanced approach in assessing and evaluating the impact of our efforts in addressing the needs of the at-risk youth population. Data collection, contract management, and program assessment efforts within a decentralized OYS will require some procedural adjustments but will continue with additional feedback from community members, public and private sector youth agencies, as well as youth and families.

J. Further Considerations

The OYS continues to believe that resources are better invested in prevention-oriented initiatives rather than "high end" or "more restrictive programs and services." The Youth Service Centers will continue to be the catalysis to provide various prevention services for youth and their families statewide. The Office will also continue its efforts to coordinate and support a wide range of programs, from services that effectively divert youth away from the juvenile justice system to programs that provide "aftercare" or "step-down" programs for youth transitioning from HYCF. In order to achieve this, the OYS believes that a decentralized agency will be able to be more responsive to meeting the needs of communities across the state, be able to better monitor and maintain quality services and will provide relevant technical assistance and training to youth service agencies statewide.

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID: HMS503
PROGRAM STRUCTURE NO. 06010503
PROGRAM TITLE: YOUTH RESIDENTIAL PROGRAMS

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	89.00*	89.00*	110.00*	110.00*	110.0*	110.0*	110.0*	110.0*
PERSONAL SERVICES	3,412,838	3,545,618	4,273,259	4,273,259	4,273	4,273	4,273	4,273
OTHER CURRENT EXPENSES	3,755,108	3,755,108	3,755,108	3,755,108	3,756	3,756	3,756	3,756
TOTAL OPERATING COST	7,167,946	7,300,726	8,028,367	8,028,367	8,029	8,029	8,029	8,029
BY MEANS OF FINANCING								
GENERAL FUND	88.50*	88.50*	109.50*	109.50*	109.5*	109.5*	109.5*	109.5*
OTHER FED. FUNDS	5,688,302	5,821,082	6,548,123	6,548,123	6,549	6,549	6,549	6,549
INTERDEPT. TRANSFER	1,463,704	1,463,704	1,463,704	1,463,704	1,464	1,464	1,464	1,464
	.50*	.50*	.50*	.50*	.5*	.5*	.5*	.5*
	15,940	15,940	16,540	16,540	16	16	16	16
CAPITAL IMPROVEMENT COSTS								
PLANS		2,000	5,000					
DESIGN		98,000	185,000					
CONSTRUCTION			1,690,000					
TOTAL CAPITAL EXPENDITURES		100,000	1,880,000					
BY MEANS OF FINANCING								
G.O. BONDS		100,000	1,880,000					
TOTAL POSITIONS	89.00*	89.00*	110.00*	110.00*	110.00*	110.00*	110.00*	110.00*
TOTAL PROGRAM COST	7,167,946	7,400,726	9,908,367	8,028,367	8,029	8,029	8,029	8,029

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-503

PROGRAM STRUCTURE NO: 06010503

PROGRAM TITLE: YOUTH RESIDENTIAL PROGRAMS

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 %YOUTH IN COM-BSD PRG IN SCH/VOC ED/EMPL/SEEK WRK	90	90	90	90	90	90	90	90
2 %INCAR YOUTH ON FURLOUGH & NOT ARSTD FOR NEW CRIM	80	80	80	80	80	80	80	80
PROGRAM TARGET GROUPS								
1 AT-RISK YOUTH WITHIN THE STATE	8502	7774	7108	6500	6500	6500	6500	6500
2 YOUTHS IN SECURE INCARCERATION	70	70	70	70	70	70	70	70
3 YOUTHS IN COMMUNITY-BASED RESIDENTIAL PROGRAMS	230	230	230	230	230	230	230	230
PROGRAM ACTIVITIES								
1 #YOUTH IN SECURE INCAR.RELEASED ON FURLOUGH/PAROLE	250	250	250	250	250	250	250	250
2 #YOUTH SUCCESSFULLY DISCH FM COM-BSD RESID PROG	35	35	35	35	35	35	35	35
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	1,001	996	996	996	996	996	996	996
ALL OTHER								
CHARGES FOR CURRENT SERVICES	2	2	2	2	2	2	2	2
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	1,003	998	998	998	998	998	998	998
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	1,001	996	996	996	996	996	996	996
GENERAL FUND	2	2	2	2	2	2	2	2
TOTAL PROGRAM REVENUES	1,003	998	998	998	998	998	998	998

A. Statement of Program Objectives

To facilitate the reintegration and rehabilitation of youth to enable them to better function within their communities by providing a continuum of residential programs and services ranging from secure custody to non-secure community-based residential programs.

B. Description of Request and Compliance with Act 263, SLH 1994

- To increase funding for the operation of the Hawaii Youth Correctional Facility (HYCF) by \$743,484. Additional funding will be used to continue and establish permanent 20 Youth Corrections Officers (YCOs), 1 Corrections Supervisor I and 1 temporary Corrections Recreational Specialist III.
- To increase Capital Improvement Project (CIP) by \$1,500,000 for security and infrastructure improvement and repairs at HYCF.

C. Description of Activities Performed

Act 375, SLH 1989, mandated the Office of Youth Services (OYS) to provide a continuum of services ranging from prevention to secure care. On July 1, 1991, the OYS assumed the responsibility for the Hawaii Youth Correctional Facility (HYCF) program, the only juvenile correctional facility in the State. In September 1995 the 30 bed facility at the HYCF was completed. During the FY 03-05 the OYS continued working with the HYCF in planning and developing a continuum of programs and services that included in-facility services, community-based alternatives and aftercare components for youth committed to the facility.

Major initiatives that OYS and HYCF administration continues to support and encourage include: (1) Utilization of the cognitive approach to working with juvenile offenders. Resources continue to be expended in providing training and technical assistance to the HYCF staff as well as the private/public sector youth service provider agencies in using this approach in working with our at-risk population. (2) Development and use of an objective risk and needs assessment tool. A validated assessment used by well-trained staff is vital to ensure that appropriate programs and services are provided to at-risk youth involved in the juvenile justice system.

D. Statement of Key Policies Pursued

The Hawaii Youth Correctional Facility along with the Office of Youth Services will continue to focus on and pursue key policies and initiatives in the following manner:

- Develop a broader understanding and agreement from various components of the juvenile justice system, as to the function and purpose of the Hawaii Youth Correctional Facility.
- Develop a range of programs and services that serve as viable alternatives to incarceration.
- Develop and implement effective in-facility and in-community programs and services in education, medical, mental health, sex abuse, counseling, substance abuse counseling, recreation, vocational training/re-entry, and aftercare.
- Provide for the effective development of employment and retention of a qualified, trained, enthusiastic professional staff, in sufficient numbers, to address the needs of youth in the juvenile system, including staff at the HYCF, incorporating a rigorous pre-service and in-service staff training program.
- Develop a juvenile-focused Policy and Procedures manual for the HYCF.
- Develop and maintain Performance-based standards in programs, contracts, and evaluation.
- Continue ongoing assessment inventories to measure improvements using the C.H.A.P.T.E.R. Improvement Inventory recommended by the National Juvenile Detention Association (NJDA) and other inventories as they become available.

- Corrective efforts towards current physical design(s) of the Hawaii Youth Correctional Facilities that pose an immediate safety and security threat towards Juveniles and HYCF staff.

E. Identification of Important Program Relationship

The OYS and the HYCF will be re-aligning to strengthen its collaboration efforts with other youth serving agencies. This would provide an alignment of services for our at-risk youth population from prevention to incarceration. Building partnerships with various public agencies such as the Department of Human Services (DHS), Department of Education (DOE), Department of Health (DOH), Family Court (FC), various county agencies including law enforcement agencies, and non profit agencies will continue in order to better coordinate the State's efforts in providing services to our at-risk youth population. The OYS and HYCF will develop and implement an intensive Aftercare/Reentry Program for youth transitioning out of the HYCF and returning to their families/communities. An Aftercare/Reentry Team, that includes individuals from these various departments, will be recruited to actively participate in this process.

F. Description of Major External Trends Affecting the Program

During the past year, the HYCF has undergone significant improvement to address past patterns of practice, safety, security, and the well-being of the youth in our care. We are presently under federal investigation by the Department of Justice (DOJ) to assess our standards of practice and care. We welcome their perspective on our progress. The outcome of this investigation will likely have an impact on our budget and at this point remains unpredictable.

The HYCF policies and procedures have been rewritten to reflect the American Correctional Association (ACA) National Standards of Juvenile Corrections. This is the initial step of an accreditation program offered by the ACA that will evaluate operations against national standards, remedy deficiencies, and upgrade the quality of correctional programs and services. The recognized benefits from such a process include improved management, a defense against lawsuits through

documentation and the demonstration of a "good faith" effort to improve conditions of confinement, increased accountability and enhanced public credibility for administrative and line staff, a safer and more humane environment for personnel and offenders, and the establishment of measurable criteria for upgrading programs, personnel, and physical plant on a continuing basis.

Prior to the DOJ investigation and as a response to an independent American Civil Liberties Union (ACLU) report in August 2003 citing allegation about the HYCF, the OYS, with the support of the Office of Juvenile Justice and Delinquency Prevention (OJJDP), applied for and received technical assistance from the National Juvenile Detention Association's (NJDA) Center for Research & Professional Development (CRPD). Hawaii received Jurisdictional Planning Assistance (JPA), a training needs assessment, and a staffing analysis for HYCF that would be an appropriate means to initiate system reform.

The ability of well-designed community-based programs to more effectively achieve the goal of public safety continues to be confirmed by research. A study of recidivism rates found that rates were lower in areas where community-based programs were fully implemented. The National Council on Crime and Delinquency concluded that community-based programs were more effective in promoting public safety than the institution-based system that preceded it. Additional research gathered by the Office of Juvenile Justice and Delinquency Prevention (OJJDP) also confirms that the placement of juvenile offenders in appropriate community-based programs does reduce the incidence of subsequent criminal behavior.

G. Discussion of Cost, Effectiveness, and Program Size Data

During FY 04, the average daily population of youth committed to the HYCF was 60. Average cost per youth was approximately \$78,000/year. A total of 251 youth were committed to HYCF during FY 04.

Compared to residential community-based programs, institution-based programs are generally more costly. Thus, they should be utilized for only those youth that warrant secure custody and treatment. Many youth currently confined in secure

custody are placed there because of a lack of program options. Public safety is enhanced through the development of a continuum of alternative programs, which allows for the appropriate placement and treatment of youth. Community-based programs are a more effective means of treating youth that do not require secure custody. Residential alternative costs range approximately from \$54,000 to 68,000 per year/per youth, depending on the intensity of services and length of the program.

H. Discussion of Program Revenue

State and federal resources fund the program.

I. Summary of Analysis Performed

During FY 04 the HYCF's vision is to move to "evidence-based" and "best practice" programs that meet the needs of youth confined at HYCF using the YLSI (Youth Level of Service Inventory) and other tools for assessment. OYS will continue to provide training/technical assistance in the use of the YLSI across the State and to assist in validation of this instrument with at-risk youth in Hawaii.

Utilize available federal technical assistance to improve programs and services. The Office of Juvenile Justice and Delinquency Prevention (OJJDP) provided national experts to assist with jurisdictional planning.

Plan for Deinstitutionalization of Status Offenders (Removal of Status Offenders and Non-offenders from secure detention and correctional facilities).

J. Further Considerations

The HYCF should only house youth that exhibit chronic, violent, or serious delinquent behavior and who are a threat to community safety. This facility provides highly specialized treatment-oriented programs to a small population and encourages intensive staff interaction with and supervision of youth. Because of

the high resident to staff ratio, emphasis will be placed on programming, behavior management, and treatment goals.

To determine which youth require secure confinement, comprehensive assessment and treatment planning must be provided to youth prior to commitment to secure confinement. Complete psychological, behavioral, social, educational and risk/need assessments must be done so appropriate action and disposition decisions can be made at all levels in the juvenile justice system.

Effectively assessing and identifying youth that require locked custody is meaningless if a range of appropriate community programs for youth are not available. Placements in programs, such as outreach and tracking, community-based residential programs, and alternative day programs must be available to provide a continuum of care for youth in need of supervision and structured services, but who do not require secure custody. A reemphasis on the use of the YSLI and to standardize its use among all agencies involved in decision making for the youth. In addition, services to strengthen the family structure and establish community-based support are necessary for those youth that will return home. Community and home-based services will provide long-term care and support for these youth and will enhance their opportunity for success. Additional efforts to better bundle vital programs and services, both in-facility and in-community, within a more structured aftercare/reentry program will also ensure youth transition smoothly back to their communities and deters further involvement in the juvenile justice system.

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PROGRAM ID: HMS601
PROGRAM STRUCTURE NO. 060107
PROGRAM TITLE: ADULT AND COMMUNITY CARE SERVICES

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	117.50*	117.50*	117.50*	117.50*	117.5*	117.5*	117.5*	117.5*
PERSONAL SERVICES	5,741,643	5,940,531	6,272,472	6,272,472	6,273	6,273	6,273	6,273
OTHER CURRENT EXPENSES	7,888,858	8,656,708	8,656,708	8,656,708	8,658	8,658	8,658	8,658
TOTAL OPERATING COST	13,630,501	14,597,239	14,929,180	14,929,180	14,931	14,931	14,931	14,931
=====								
BY MEANS OF FINANCING								
GENERAL FUND	99.58*	99.58*	99.58*	99.58*	99.6*	99.6*	99.6*	99.6*
	8,108,533	9,034,755	9,245,214	9,245,214	9,246	9,246	9,246	9,246
OTHER FED. FUNDS	17.92*	17.92*	17.92*	17.92*	17.9*	17.9*	17.9*	17.9*
PRIVATE CONTRIB.	5,231,862	5,272,378	5,393,860	5,393,860	5,394	5,394	5,394	5,394
	10,000	10,000	10,000	10,000	10	10	10	10
	*	*	*	*	*	*	*	*
INTERDEPT. TRANSFER	280,106	280,106	280,106	280,106	281	281	281	281
TOTAL POSITIONS	117.50*	117.50*	117.50*	117.50*	117.50*	117.50*	117.50*	117.50*
TOTAL PROGRAM COST	13,630,501	14,597,239	14,929,180	14,929,180	14,931	14,931	14,931	14,931
=====								

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-601

PROGRAM STRUCTURE NO: 060107

PROGRAM TITLE: ADULT AND COMMUNITY CARE SERVICES

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % ELIG DEPEND ADULTS W/SVCS STAY SAFE IN OWN HOME	90	90	90	90	90	90	90	90
2 % ELIG DEPEND ADULTS W/SVCS STAY SAFE IN DOM CARE	95	95	95	95	95	95	95	95
3 % DEPEND ADULTS W/APS NOT REABUSED OR NEGLECTED	95	95	95	95	95	95	95	95
4 %LOW-INC ADULTS ABLE TO PROV COMM SVS THRU COM LTC	98	98	98	98	98	98	98	98
PROGRAM TARGET GROUPS								
1 # ADULTS REQUIRING IN-HOME SUPPORT SVCS	2608	2668	2668	2668	2668	2668	2668	2668
2 # ADULTS REQUIRING DOMICILIARY CARE SERVICES	175	175	175	175	175	175	175	175
3 # ADULTS REPORTED TO BE ABUSED/NEGLECTED	525	535	535	535	535	535	535	535
4 # ADULTS ELIG TO SERVE AS COMPANIONS/GRANDPARENTS	373	373	373	373	373	373	373	373
PROGRAM ACTIVITIES								
1 # ADULTS PROVIDED SENIOR/RESPIRE COMPANIONS	848	848	848	848	848	848	848	848
2 # ADULTS PROVIDED CHORE SERVICES	1150	1150	1150	1150	1150	1150	1150	1150
3 # ADULTS PROVIDED DAY CARE SERVICES	85	85	85	85	85	85	85	85
4 # ADULTS PROVIDED CASE MANAGEMENT	1410	1460	1460	1460	1460	1460	1460	1460
5 # ADULTS PROVIDED PERSONAL CARE	45	45	45	45	45	45	45	45
6 # ADULTS IN ADULT RESIDENTL CARE HOMES/FOSTER CARE	175	175	175	175	175	175	175	175
7 # ADULTS PROVIDED ADULT PROTECTIVE SVCS	525	535	535	535	535	535	535	535
8 # ADULTS WHO ARE COMPANIONS/GRANDPARENTS	373	373	373	373	373	373	373	373
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	4,944	4,944	4,944	4,944	4,944	4,944	4,944	4,944
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	4,944	4,944	4,944	4,944	4,944	4,944	4,944	4,944
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	4,944	4,944	4,944	4,944	4,944	4,944	4,944	4,944
TOTAL PROGRAM REVENUES	4,944	4,944	4,944	4,944	4,944	4,944	4,944	4,944

Program Plan Narrative

Program ID: HMS 601
Program Structure Level: 06 01 07
Program Title: Adult and Community Care Services

A. Statement of Program Objective

To prevent inappropriate institutionalization of dependent, disabled adults by providing them with a range of in-home and community-based social, health, and other supportive services, and provide protection from abuse, neglect, and exploitation for dependent adults.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The Department of Human Services is requesting \$45,144 in State funds and \$45,144 in Federal funds in each year of the 2006-2007 biennium for two permanent positions, a RPN V and a SSA IV, removed from the HMS 601 budget by the 2004 legislature. The requested funding will allow incumbent staff to continue their employment and provide services to Medicaid waiver program clients. The salaries for these two positions are 50% Federally matched because of their involvement with Medicaid waiver clients.

C. Description of Activities Performed

The Adult and community Care Services Branch (ACCSB) provides supportive services to clients and their families to assist them to remain in the community instead of being placed in institutional settings. Services include those of the Medicaid waiver programs (Nursing Home Without Walls, Residential Alternatives Community Care, HIV Community Care, Developmental Disabilities/Mental Retardation, and Medically Fragile

Community Care); PACE; social services such as chore and adult day care; and specialized stipend services such as Foster Grandparents, Senior Companions, and Respite Companion Programs. Protective services are also provided to dependent adults to enable them to remain safely in the community. Finally, ACCSB is responsible for licenses adult day care centers in the State.

D. Statement of Key Policies Pursued

The policies pursued by ACCSB relate primarily to the development and coordination of public and private home and community-based services for persons in need of long-term care and the delivery of effective and efficient services to eligible clients.

E. Identification of Important Program Relationships

The staff maintains relationships with other Divisions within the Department of Human Services as well as private, County, State, and Federal agencies and consumers to achieve the objectives of the community long-term care programs.

F. Description of Major External Trends Affecting the Program

Major trends affecting ACCSB services include:

1. A rapidly growing aged population and increasing service demands and needs for long-term care services;
2. Public demand for home and community-based services to allow individuals to remain in their homes with coordinated public and private sector services;
3. Increases in drug abuse and domestic violence, which heightens the risk of harm for dependent adult; and
4. Increases in Medicaid costs for long-term care institutional services and the need to develop less expensive alternatives.

G. Discussion of Cost, Effectiveness, and Program Size Data

ACCSB is continuing its efforts to address the need for improved client access to services and to coordinate the delivery of services through a continuum of long-term care. ACCSB continues to maximize its service delivery system by integrating and enhancing the skills of current staff.

H. Discussion of Program Revenue

ACCSB receives revenues from the Federal government for some client services. The Medicaid waiver programs and PACE receive Federal Match reimbursement. Chore services receive Title XX Block Grant funds. The Senior/Respite Companion and Foster Grandparent Programs receive Federal Corporation for National and Community Service funds.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID: HMS603
PROGRAM STRUCTURE NO. 06020302

PROGRAM TITLE: HOME & COMMUNITY-BASED CARE SERVICES

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
CAPITAL IMPROVEMENT COSTS								
OTHER CURRENT EXPENSES	86,331,040	91,817,474	115,897,683	120,272,244	133,871	141,068	177,986	187,782
TOTAL OPERATING COST	86,331,040	91,817,474	115,897,683	120,272,244	133,871	141,068	177,986	187,782
BY MEANS OF FINANCING								
GENERAL FUND	13,027,039	13,877,039	16,913,364	17,507,433	21,862	23,475	30,876	33,495
OTHER FED. FUNDS	51,505,685	54,146,633	66,191,306	68,696,463	78,274	82,640	104,068	109,796
INTERDEPT. TRANSFER	21,798,316	23,793,802	32,793,013	34,068,348	33,735	34,953	43,042	44,491
TOTAL POSITIONS	*	*	*	*	*	*	*	*
TOTAL PROGRAM COST	86,331,040	91,817,474	115,897,683	120,272,244	133,871	141,068	177,986	187,782

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-603

PROGRAM STRUCTURE NO: 06020302

PROGRAM TITLE: HOME & COMMUNITY-BASED CARE SERVICES

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % DISAB ADULTS/CHILDREN WHO STAY HOME W/ NHWM SVCS	95	95	95	95	95	95	95	95
2 % DISAB ADULTS/CHILDREN WHO STAY HOME W/ HCC	95	95	95	95	95	95	95	95
3 % DISAB CHDRN STAY HOME/IN COMM PLACEMNT W/ MFCC	95	95	95	95	95	95	95	95
4 % AGED & DISAB ADULTS STAY IN COMM PLACEM W/ RACC	95	95	95	95	95	95	95	95
5 % DD/MR INDIVIDS STAY HOME IN ALT COMM PLACEMNT	95	95	95	95	95	95	95	95
6 % AGED & DISAB ADULTS STAY HOME W/PACE	95	95	95	95	95	95	95	95

PROGRAM TARGET GROUPS

1 # DISAB ADULTS & CHDRN REQUIRING NHWM SVCS	910	1001	1100	1100	1210	1210	1210	1210
2 # DISAB ADULTS & CHDRN REQUIRING HCC SVCS	95	95	95	95	95	95	95	95
3 # DISAB CHILDREN REQUIRING MFCC SERVICES	50	50	50	50	50	50	50	50
4 # AGED & DISAB ADULTS REQUIRING RACC SERVICES	1200	1200	1200	1200	1200	1200	1200	1200
5 # DISAB INDIVIDS REQUIRING HOME & COMM-BASED SVCS	1883	1986	2086	2086	2086	2086	2086	2086
6 # AGED & DISAB ADULTS REQUIRING PACE SERVICES	138	175	175	200	200	200	200	200

PROGRAM ACTIVITIES

1 # DISAB ADULTS & CHILDREN PROVIDED NHWM SVCS	910	1001	1100	1100	1210	1210	1210	1210
2 # DISABLED ADULTS & CHILDREN PROVIDED HCC SERVICES	95	95	95	95	95	95	95	95
3 # DISABLED CHILDREN PROVIDED MFCC SERVICES	50	50	50	50	50	50	50	50
4 # AGED & DISABLED ADULTS PROVIDED RACC SVCS	1200	1200	1200	1200	1200	1200	1200	1200
5 # DD/MR INDIVIDUALS PROVIDED H&CBS SERVICES	1883	1986	2086	2086	2086	2086	2086	2086
6 # AGED & DISAB ADULTS PROVIDED PACE SERVICES	138	175	175	200	200	200	200	200

PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):

TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	52,005	52,005	52,004	52,004	52,004	52,004	52,004	52,004
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	52,005	52,005	52,004	52,004	52,004	52,004	52,004	52,004

PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):

SPECIAL FUNDS	52,005	52,005	52,004	52,004	52,004	52,004	52,004	52,004
TOTAL PROGRAM REVENUES	52,005	52,005	52,004	52,004	52,004	52,004	52,004	52,004

Program Plan Narrative

Program ID: HMS 603
Program Structure Level: 06 02 03 02
Program Title: Home and Community-Based Care Services

A. Statement of Program Objective

To prevent or delay institutionalization of persons with disabilities by providing Medicaid waiver payments.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Due to increased costs for Medicaid waiver payments, the Department is requesting for FY 2006 increased A funding of \$3,036,325 and adjustments to the levels of Federal (N) funding and interdepartmental transfer (U) funding by increases of \$12,044,673 and \$8,999,211 respectively. For FY 2007, the Department is requesting \$3,630,394 in A funds, and N and U funding level increases of \$14,549,830 and 10,274,546 respectively.

C. Description of Activities Performed

The Adult and community Care Services Branch (ACCSB) provides services to persons with disabilities and their families to support home and community-based living as opposed to institutionalization in nursing facilities. The Medicaid waiver programs (Nursing Home Without Walls, Residential Alternatives Community Care, HIV Community Care, Developmental Disabilities/Mental Retardation, and Medically Fragile Community Care) and PACE provide an array of services designed to support the specific long-term needs of clients. Some services include, but are not limited to, case management, personal care, skilled nursing, adult day health, emergency

alarm response systems, environmental accessibility adaptations, non-medical transportation, respite, moving assistance, home maintenance, meal preparation, and housecleaning.

D. Statement of Key Policies Pursued

DHS continues to pursue the goal of reducing the rising costs of nursing facility institutionalization through the expansion of home and community-based services.

E. Identification of Important Program Relationships

ACCSB includes Medicaid waiver programs that receive Federal matching reimbursement from the Federal Department of Health and Human Services, Centers for Medicare and Medicaid Services (DHHS, CMS). ACCSB maintains relationships with other Divisions within the Department of Human Services as well as private, County, State and Federal agencies and consumers to achieve the objectives of the community long-term care programs.

F. Description of Major External Trends Affecting the Program

Wait lists for nursing facility care continues to increase at a time when the State is preparing for the aging of a significant portion of its population. While nursing facility care is necessary to provide care for the medically

complex, efforts must be directed at assuring the effective utilization of those beds. In order to do so, efforts must be made to redirect the remaining population to other home and community-based alternatives.

G. Discussion of Cost, Effectiveness, and Program Size Data

Since the inception of the Medicaid waiver programs in 1983, all Medicaid waiver programs have complied with Federal requirements for cost-effectiveness by providing services below the nursing facility institutional reimbursement. The programs continue to sustain nursing facility level of care individuals in their homes or in the community at less than 50% of nursing facility cost.

H. Discussion of Program Revenue

Effective October 2004, all Medicaid waiver programs will receive 58.47% Federal matching reimbursement through DHHS, CMS for the cost of services provided.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID: **HMS605**
 PROGRAM STRUCTURE NO. **06020304**
 PROGRAM TITLE: **COMMUNITY-BASED RESIDENTIAL SUPPORT**

REPORT P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
CAPITAL IMPROVEMENT COSTS								
OTHER CURRENT EXPENSES	12,711,261	12,711,261	14,394,149	14,969,915	14,969	14,969	14,969	14,969
TOTAL OPERATING COST	12,711,261	12,711,261	14,394,149	14,969,915	14,969	14,969	14,969	14,969
BY MEANS OF FINANCING								
GENERAL FUND	12,711,261	12,711,261	14,394,149	14,969,915	14,969	14,969	14,969	14,969
TOTAL POSITIONS								
TOTAL PROGRAM COST	12,711,261*	12,711,261*	14,394,149*	14,969,915*	14,969*	14,969*	14,969*	14,969*

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-605

PROGRAM STRUCTURE NO: 06020304

PROGRAM TITLE: COMMUNITY-BASED RESIDENTIAL SUPPORT

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 %ADULT SSI RECIPS IN LIC/CERT DOM CARE RCVG ST SSI	95	95	95	95	95	95	95	95
PROGRAM TARGET GROUPS								
1 # ADULT FED SSI RECIPS RESIDE IN LIC/CERTDOMCARE	2635	2635	2635	2635	2635	2635	2635	2635
PROGRAM ACTIVITIES								
1 AV# SSI RECIPS PLACD IN TYPE I ARCH & REC ST SSI	1820	1820	1820	1820	1820	1820	1820	1820
2 AV# SSI RECIPS PLACD IN TYPE II ARCH & REC ST SSI	125	125	125	125	125	125	125	125
3 AV# SSI RECIPS PLACD OTH DOM CARE & REC STATE SSI	700	700	700	700	700	700	700	700
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL								
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES								

Program Plan Narrative

Program ID: HMS 605

Program Structure Level: 06 02 03 04

Program Title: Community-Based Residential Support

A. Statement of Program Objective

To prevent inappropriate institutionalization of dependent, disabled adults by assisting with community-based residential needs.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The Department is requesting additional A funds totaling \$1,682,888 for FY 2006 and \$2,258,654 for FY 2007. The funds are for Supplemental Security Income (SSI) State Supplement Program (SSP) payments to individuals.

C. Description of Activities Performed

The Adult and Community Care Services Branch (ACCSB) provides supportive services to clients and their families to assist them to remain in the community instead of in institutional settings. The requested funds will be used to supplement federal SSI benefits received by individuals residing in Adult Residential Care Homes and Community Care Foster Family Homes.

D. Statement of Key Policies Pursued

The policies pursued under this program relate primarily to providing the requisite state supplemental payments to qualified federal SSI recipients.

E. Identification of Important Program Relationships

The staff maintains relationships with other divisions within the Department of Human Services as well as private, County, State and Federal agencies and consumers to achieve the objectives of the community long-term care programs. SSP payments through this program are required under a Maintenance of Effort agreement with the Federal Centers for Medicare and Medicaid Services. Failure to maintain the payments will result in the loss of Federal Medicaid funds for the State.

F. Description of Major External Trends Affecting the Program

The major trends affecting Adult and Community Care Services are:

1. The rapidly growing aged population and increasing service demands and needs for long-term care services; and
2. Public demand for home and community-based services to allow individuals to remain in the community with coordinated public and private services.

G. Discussion of Cost, Effectiveness, and Program Size Data

Supplemental Security Income (SSI) State Supplement Program (SSP) payments are required adjuncts to federal SSI payments received by individuals residing in Adult Residential Care Homes (ARCH) and

Community Care Foster Family Homes. About 2,645 SSI-SSP recipients are expected each year.

H. Discussion of Program Revenue

Payment levels are determined by statute and total funding is based on the number of individuals in placement.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

PROGRAM ID: HMS807
 PROGRAM STRUCTURE NO. 06020202
 PROGRAM TITLE: TEACHER HOUSING

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	-IN DOLLARS-				-IN THOUSANDS-			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	*	*	*	*	*	*	*	*
PERSONAL SERVICES	57,771	57,771	60,121	60,121	60	60	60	60
OTHER CURRENT EXPENSES	300,796	300,796	300,796	300,796	301	301	301	301
TOTAL OPERATING COST	358,567	358,567	360,917	360,917	361	361	361	361
BY MEANS OF FINANCING								
REVOLVING FUND	358,567	358,567	360,917	360,917	361	361	361	361
CAPITAL IMPROVEMENT COSTS								
DESIGN	42,000							
TOTAL CAPITAL EXPENDITURES	42,000							
BY MEANS OF FINANCING								
G.O. BONDS	42,000							
TOTAL POSITIONS	*	*	*	*	*	*	*	*
TOTAL PROGRAM COST	400,567	358,567	360,917	360,917	361	361	361	361

PROGRAM ID: HMS-807
 PROGRAM STRUCTURE NO: 06020202
 PROGRAM TITLE: TEACHER HOUSING

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 # TEACHERS HOUSED AS % OF THOSE REQ HSG	100	100	100	100	100	100	100	100
PROGRAM TARGET GROUPS								
1 NUMBER OF TEACHERS REQUESTING HOUSING	85	85	85	85	85	85	85	85
PROGRAM ACTIVITIES								
1 # OF NEWLY CONSTRUCTED/RENOVATED RENTAL UNITS	0	0	0	0	0	0	0	0
2 NUMBER OF RENTAL UNITS REMOVED FROM PROGRAM	0	0	0	0	0	0	0	0
3 NUMBER OF RENTAL UNITS IN OPERATION	126	126	126	126	126	126	126	126
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY	226	226	226	226	226	226	226	226
REVENUE FROM OTHER AGENCIES: FEDERAL								
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS	400							
TOTAL PROGRAM REVENUES	626	226	226	226	226	226	226	226
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
ALL OTHER FUNDS	626	226	226	226	226	226	226	226
TOTAL PROGRAM REVENUES	626	226	226	226	226	226	226	226

- A. Statement of Program Objectives
To facilitate the operations of lower education programs by providing housing accommodations to school-level certificated personnel where and if no other adequate private or leasing arrangements for housing are available within reasonable commuting distance from the assigned schools.
- B. Description of Request and Compliance with Section 37-68 (1) (A) (B)
The budget request for the FY 2005-07 reflects a two year budget approach based on funding levels approved for the FY 2005.
- C. Description of Activities Performed
Oversee the maintenance and management of Teacher Housing facilities.
- D. Statement of Key Policies Pursued
1. Concerted effort was made with the cooperation of the Department of Education (DOE) to phase out teacher cottages in areas where private housing units are available.
2. Policy B (3) of the Hawaii State Plan is to ensure that projects which impact housing provide affordable rental opportunities for employees.
- E. Identification of Important Program Relationships
To accommodate all teachers needing housing, the Housing and Community Development Corporation of Hawaii (HCDCH) maintains a close working relationship with DOE.
- F. Description of Major External Trends Affecting the Program
The major external trend affecting the program are the changes in student enrollment and school curriculum which affect the numbers of teachers needed at each school site, and accordingly, the demand for housing.
- G. Discussion of Cost, Effectiveness, and Program Size Data
In general there were no significant discrepancies between previously planned and achieved program cost, effectiveness, and size level.

To conform to the program plan and objectives, ongoing discussions on housing needs are held with DOE staff.

In spite of early phase-out of units in certain areas, all teachers requesting housing were accommodated.

Although the number of units has remained consistent, the costs of operating and maintaining the units and replacement of equipment have increased. The HCDCH shall continue to use prudent judgment in the areas of repair to the units and replacement of equipment without sacrificing the necessary elements essential to a safe, decent, sanitary housing.
- H. Discussion of Program Revenue
The operating funds for the Teacher Housing Program are derived from rental revenue.
- I. Summary of Analysis Performed
None.
- J. Further Consideration
None.

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PROGRAM ID: HMS901
 PROGRAM STRUCTURE NO. 060407
 PROGRAM TITLE: GENERAL SUPPORT FOR SOCIAL SERVICES

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	-IN DOLLARS-				-IN THOUSANDS-			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	47.00*	47.00*	47.00*	47.00*	47.0*	47.0*	47.0*	47.0*
PERSONAL SERVICES	2,405,885	2,470,067	2,537,352	2,537,352	2,537	2,537	2,537	2,537
OTHER CURRENT EXPENSES	737,003	737,003	737,003	737,003	738	738	738	738
TOTAL OPERATING COST	3,142,888	3,207,070	3,274,355	3,274,355	3,275	3,275	3,275	3,275
=====								
BY MEANS OF FINANCING								
GENERAL FUND	27.56*	27.56*	27.56*	27.56*	27.6*	27.6*	27.6*	27.6*
	1,617,521	1,654,466	1,682,578	1,682,578	1,683	1,683	1,683	1,683
OTHER FED. FUNDS	19.44*	19.44*	19.44*	19.44*	19.4*	19.4*	19.4*	19.4*
	1,525,367	1,552,604	1,591,777	1,591,777	1,592	1,592	1,592	1,592
TOTAL POSITIONS	47.00*	47.00*	47.00*	47.00*	47.00*	47.00*	47.00*	47.00*
TOTAL PROGRAM COST	3,142,888	3,207,070	3,274,355	3,274,355	3,275	3,275	3,275	3,275
=====								

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-901

PROGRAM STRUCTURE NO: 060407

PROGRAM TITLE: GENERAL SUPPORT FOR SOCIAL SERVICES

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % EMPL WORKING W/OUT FORMAL GRIEVANCES	90	90	90	90	90	90	90	90
2 % FAIR HEARINGS DECIDED IN FAVOR OF DIVISION	75	75	75	75	75	75	75	75
3 % NEW EMPL COMPLTG INTRO COMP/PROG SKILLS COURSES	90	90	90	90	90	90	90	90
4 % ELIG EMPL COMPLTG PROG SPECIF SKILLS BEYND INTRO	100	100	100	100	100	100	100	100
5 % REQS FOR DIVISION LEVEL PLANS MET	90	90	90	90	90	90	90	90
6 % FED COMPLIANCE REVIEWS W/ NO SIGNIF NEG FINDINGS	90	90	90	90	90	90	90	90
7 % SOCIAL SERVICE CONTRACTS MONITORED	90	90	90	90	90	90	90	90
8 % MEDICAID WAIVER CONTRACTS MONITORED	90	90	90	90	90	90	90	90
9 % MEDICAID WAIVER CLAIMS POST-AUDITED	90	90	90	90	90	90	90	90

PROGRAM TARGET GROUPS

1 PERSONNEL IN DIVISION	660	660	660	660	660	660	660	660
2 CONTRACTED SOCIAL SERVICES PROVIDERS OF SERVICE	79	79	79	79	79	79	79	79
3 CONTRACTED WAIVER PROVIDERS OF SERVICE	80	80	80	80	80	80	80	80

PROGRAM ACTIVITIES

1 # EMPL GRIEVANCES FILED DURING YR	9	9	9	9	9	9	9	9
2 # DIVISION FAIR HEARG DECISIONS DURING YR	8	8	8	8	8	8	8	8
3 # NEW DIVISION EMPLOYEES TRAINED DURING YEAR	150	150	150	150	150	150	150	150
4 # EMPL TRAINED IN PROG SPECIF SKILLS BEYND INTRO	1100	1100	1100	1100	1100	1100	1100	1100
5 # DIVISION LEVEL PLANS WRITTEN DURING YR	12	12	12	12	12	12	12	12
6 # FED COMPLIANCE REVIEWS DURING YR	10	10	10	10	10	10	10	10
7 # SOCIAL SERVICES CONTRACTS MONITORED DURING YR	71	71	71	71	71	71	71	71
8 # MEDICAID WAIVER CONTRACTS MONITORED DURING YR	80	80	80	80	80	80	80	80
9 # MEDICAID WAIVER CLAIMS POST-AUDITED DURING YR	4700	4700	4700	4700	4700	4700	4700	4700

PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):

TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	1,317	1,298	1,298	1,298	1,298	1,298	1,298	1,298
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	1,317	1,298	1,298	1,298	1,298	1,298	1,298	1,298

PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):

GENERAL FUND								
SPECIAL FUNDS	1,317	1,298	1,298	1,298	1,298	1,298	1,298	1,298
TOTAL PROGRAM REVENUES	1,317	1,298	1,298	1,298	1,298	1,298	1,298	1,298

Program Plan Narrative

HMS 901: GENERAL SUPPORT FOR SOCIAL SERVICES

06 04 07

A. Statement of Program Objectives

To enhance program effectiveness and efficiency by contracting for services, providing quality assurance, monitoring programs, administering grants and federal funds, providing training and information systems support, and providing other administrative and housekeeping services.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

No request is being made. No new programs are being proposed. No funding consideration is required.

C. Description of Activities Performed

Support Services staff perform the following major activities: planning; budget coordination and monitoring; staff training; contracting; grants management and compliance monitoring; and maintenance of information systems. These activities are conducted in order to provide administrative direction and support in the planning, development, and implementation of comprehensive statewide social service programs that include child welfare services and adult and community care services, including fiscal and monitoring responsibilities for the Medicaid waiver program.

D. Statement of Key Policies Pursued

The program pursues the following general policies for the Social Services Division (SSD):

1. Responsive and effective social service programs throughout the state;
2. Efficient administration of state and federally financed programs;
3. Provision of a supportive and safe working environment for successful employee and program performance.

E. Identification of Important Program Relationships

The program maintains relations with other divisions within the Department of Human Services, as well as private, county, state and federal agencies and consumers to achieve the objectives of the social service programs.

Within SSD, close coordination of training, planning, data and fiscal information, and contracting efforts with the Adults and Community Care Services Branch (ACCSB) and the Child Welfare Services Branch (CWSB) is needed to meet programmatic needs of the branches. These activities include maintenance of all Child Welfare state plans required to qualify the state for grants under Title XX, Title IV-B and Title IV-E.

Coordination with Med-Quest Division and the Department of Health is required to ensure quality care of Medicaid Waiver clients and receipt of 50% matching federal funds as required by the Health Care Finance Administration. Since the inception of the Medicaid Waiver programs in 1983, it has been demonstrated that the waiver programs are a cost-effective alternative to institutional care for many individuals.

F. Description of Major External Trends Affecting the Program

Major trends affecting social service programs are:

1. Welfare reform efforts which affect family stability and consequently the care of children and disabled adults;
2. Increasing drug abuse and family violence which lead to more children at risk of harm;
3. Aging of the population and pressure for more coordinated and extensive long-term care services;
4. Demand for home and community-based services that are better integrated and coordinated with other public and private providers.

G. Discussion of Cost, Effectiveness and Program Size Data

Program performance is measured in relation to the support provided to the programs and personnel under its administration. These measures include employee grievances, fair hearings related to client appeals, staff training, planning efforts, federal compliance reviews, computer system and equipment requests, contract/provider monitoring, and waiver payments.

H. Discussion of Program Revenue

Revenues for the program include state and federal funds (Title IV-E, Adoption Assistance; Title XIX, Medicaid; and Title XX, Social Services Block Grant).

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM ID: HMS902

PROGRAM STRUCTURE NO. 060404

PROGRAM TITLE: GENERAL SUPPORT FOR HEALTH CARE PAYMENTS

PROGRAM EXPENDITURES	--IN DOLLARS--				--IN THOUSANDS--			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	208.00*	208.00*	207.00*	207.00*	207.0*	207.0*	207.0*	207.0*
PERSONAL SERVICES	11,691,816	12,331,321	11,354,024	11,354,024	11,354	11,354	11,354	11,354
OTHER CURRENT EXPENSES	14,425,065	14,425,065	14,425,065	14,425,065	14,425	14,425	14,425	14,425
TOTAL OPERATING COST	26,116,881	26,756,386	25,779,089	25,779,089	25,779	25,779	25,779	25,779
=====								
BY MEANS OF FINANCING								
GENERAL FUND	102.99*	102.99*	102.49*	102.49*	102.5*	102.5*	102.5*	102.5*
	9,277,658	9,586,902	9,027,008	9,027,008	9,027	9,027	9,027	9,027
	105.01*	105.01*	104.51*	104.51*	104.5*	104.5*	104.5*	104.5*
OTHER FED. FUNDS	16,839,223	17,169,484	16,752,081	16,752,081	16,752	16,752	16,752	16,752
TOTAL POSITIONS	208.00*	208.00*	207.00*	207.00*	207.00*	207.00*	207.00*	207.00*
TOTAL PROGRAM COST	26,116,881	26,756,386	25,779,089	25,779,089	25,779	25,779	25,779	25,779
=====								

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-902

PROGRAM STRUCTURE NO: 060404

PROGRAM TITLE: GENERAL SUPPORT FOR HEALTH CARE PAYMENTS

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % APPS PROCESSED W/IN SPECIF TIMELINESS CRITERIA	91	91	91	91	91	91	91	91
2 % RECIP FAIR HRGS HELD DECIDED IN FAVOR OF DHS	93	93	93	93	93	93	93	93
3 %MEMB GRIEVNCES RESOLVED BEFORE DIV ADJUDCTN	91	91	91	91	91	91	91	91
4 % EMPLOYEE GRIEVANCE DECISIONS IN FAVOR OF DIV	91	91	91	91	91	91	91	91
PROGRAM TARGET GROUPS								
1 # HEALTH PLANS PARTICIPATING IN PROGRAM	3	3	3	3	3	3	3	3
2 NUMBER OF PROVIDERS	2000	2000	2000	2000	2000	2000	2000	2000
3 # OF ELIGIBLE MEMBERS WITHIN PROGRAM	169000	169000	169000	169000	169000	169000	169000	169000
4 # OF MEDQUEST DIVISION PERSONNEL	320	320	320	320	320	320	320	320
PROGRAM ACTIVITIES								
1 # TRAINING SESSIONS CONDUCTED BY MEDQUEST DIV	20	20	20	20	20	20	20	20
2 # PUB EDUC/INFO EVENTS THAT MQD PARTICIPATES IN	50	50	50	50	50	50	50	50
3 # OF GRIEVANCES BY ELIG MEMBERS AGAINST HTH PLANS	10	10	10	10	10	10	10	10
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	8,539	9,759	9,759	9,760	9,760	9,760	9,760	9,760
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	8,539	9,759	9,759	9,760	9,760	9,760	9,760	9,760
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	8,539	9,759	9,759	9,760	9,760	9,760	9,760	9,760
TOTAL PROGRAM REVENUES	8,539	9,759	9,759	9,760	9,760	9,760	9,760	9,760

Program Plan Narrative

HMS 902: GENERAL SUPPORT FOR HEALTH CARE PAYMENTS

06 04 04

A. Statement of Program Objectives

To enhance program effectiveness and efficiency by formulating policies, administering operations and personnel, and providing other administrative services.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

No additional funding amounts are needed.

C. Description of Activities Performed

The major activities of this program are to perform overall program planning, implementation, maintenance, review and modification for medical assistance programs and services. Staffs provide long- and short-range planning, develop new services in response to federal and state initiatives/requirements, review and research federal and state policy issues, initiate policy changes, promulgate rules and regulations, conduct public hearings, develop provider participation, conduct preliminary investigation of fraud and abuse, conduct quality control reviews, recover overpaid funds, provide in-service training, explore new alternatives in the provisions of health care services, provide public education and coordinate activities with program staff within the department.

D. Statement of Key Policies Pursued

The Medical Assistance Program responds to state and federal initiatives to provide adequate access and quality health care to the low-income population in an efficient and cost-effective manner. In seeking to accomplish these goals, the program has established a statewide Section 1115 Medicaid Waiver Demonstration Program called Hawaii QUEST (QUEST). QUEST serves clients in the financial assistance programs, Temporary Assistance to Needy Families (TANF) and General Assistance (GA) clients, as well as those in the former State Health Insurance Program (SHIP). Children up to 200% of the federal poverty level in the federal State Health Children's Insurance Program (SCHIP), the state funded Immigrant Children Program and Compact Free Association children are also receiving their health care

through the QUEST program. These patients have access to care via a fully capitated managed care program. The department privatized the administration of health care for this population and is now purchasing private health insurance for this group. In so doing, the department is partnering with the private sector, enabling more children to have comprehensive health care services, and maximizing federal funds for the GA and SHIP programs. The department will continue its efforts to improve the program and plans to move the Aged, Blind and Disabled Populations into managed care.

E. Identification of Important Program Relationships

The program coordinates with the income maintenance programs as well as the social services programs within DHS. The program has an on-going relationship with the Department of Health to ensure the reduction of duplication of services and funding; similar coordination will be a focus with the Department of Education as well. The program has a contract with the federal Centers for Medicare and Medicaid Operations (CMS), the agency that oversees Medicaid. CMS is a partner both programmatically and fiscally in the health care programs for the indigent population. Additionally, with the implementation of QUEST, the program has contracts with medical, behavioral health plans and the Department of Health.

F. Description of Major External Trends Affecting the Program

The limited tax revenue base has impacted all government programs that provide or support the delivery of health services. Because QUEST is a program with access to federal funds, there are continual requests by the State Administration and Legislature to utilize QUEST to draw down federal funds for other programs within the State, largely Department of Health services. The Department has been working with various state agencies to increase the maximization of federal funds into the Medicaid Program. All maximization projects must be approved by CMS to avoid any violation as it could lead to federal sanctions and repayment of any federal dollars received. Additional QUEST program staff time and effort are required to understand the various program services and their funding needs to determine whether the

services are Medicaid reimbursable and to estimate whether they can be covered under the budget neutrality limit. If the decision is made to pursue federal reimbursement, QUEST program staff must confirm changes to the QUEST program with the federal government, develop and implement system changes and develop and implement additional monitoring activities.

Finally, the State Medicaid program, DHS and especially its Med-QUEST Division must meet the privacy, security and transactions and code sets requirements established by the Health Insurance Portability and Accountability Act (HIPAA). These activities require substantial changes to systems, processes, and procedures.

G. Discussion of Cost, Effectiveness and Program Size Data

The staff ensures program cost effectiveness and recommends program modification in response to significant program changes (i.e., population growth, federal mandates, etc.). As federal and state laws focus on public assistance programs, specifically Medicaid, program planning and analysis will be required to comply with changes to these laws.

H. Discussion of Program Revenues

The program receives 50% matching funds from the Department of Health and Human Services, with some enhanced funding at 75% for specific activities.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

PROGRAM ID: HMS903
 PROGRAM STRUCTURE NO. 060405
 PROGRAM TITLE: GEN SPPT FOR BEN, EMPLOYMT & SPPT SVCS

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	105.00*	105.00*	110.00*	110.00*	110.0*	110.0*	110.0*	110.0*
PERSONAL SERVICES	5,127,586	5,302,406	6,041,280	6,041,280	6,040	6,040	6,040	6,040
OTHER CURRENT EXPENSES	31,804,021	31,804,021	31,804,021	31,804,021	31,805	31,805	31,805	31,805
TOTAL OPERATING COST	36,931,607	37,106,427	37,845,301	37,845,301	37,845	37,845	37,845	37,845
=====								
BY MEANS OF FINANCING								
GENERAL FUND	57.07*	57.07*	59.96*	59.96*	59.9*	59.9*	59.9*	59.9*
	10,082,792	10,176,047	10,532,725	10,532,725	10,533	10,533	10,533	10,533
OTHER FED. FUNDS	47.93*	47.93*	50.04*	50.04*	50.1*	50.1*	50.1*	50.1*
	26,848,815	26,930,380	27,312,576	27,312,576	27,312	27,312	27,312	27,312
TOTAL POSITIONS	105.00*	105.00*	110.00*	110.00*	110.00*	110.00*	110.00*	110.00*
TOTAL PROGRAM COST	36,931,607	37,106,427	37,845,301	37,845,301	37,845	37,845	37,845	37,845
=====								

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-903

PROGRAM STRUCTURE NO: 060405

PROGRAM TITLE: GEN SPPT FOR BEN, EMPLOYMT & SPPT SVCS

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 % OF RECIP FAIR HRGS HELD DECIDED IN FAVOR OF DEPT	85	85	85	85	85	85	85	85
2 % EMPLOYEES WORKING W/O FORMAL GRIEVANCES	98	98	98	98	98	98	98	98
3 # OF COMPLAINTS RECEIVED FROM CONTRACTED PROVIDERS	0	0	0	0	0	0	0	0
4 NUMBER OF CONTRACTS PROCESSED IN TIMELY MANNER	58	58	58	58	58	58	58	58
PROGRAM TARGET GROUPS								
1 CONTRACTED PROVIDERS OF SERVICES TO THE DIVISION	38	38	38	38	38	38	38	38
2 NUMBER OF PERSONNEL IN THE DIVISION	796	796	796	796	796	796	796	796
PROGRAM ACTIVITIES								
1 # OF INFO SYSTEM ENHANCEMENTS/MODS/SOLUTIONS IN FY	220	220	220	220	220	220	220	220
2 # OF FRAUD INVESTIGATIONS COMPLETED IN FY	168	168	168	168	168	168	168	168
3 # FAIR HEARINGS HELD IN DIVISION	480	480	480	480	480	480	480	480
4 # OF EMPLOYEE GRIEVANCES FILED IN THE DIVISION	12	12	12	12	12	12	12	12
5 # OF DIV EMPLOYEES TRAINED IN PGM/SYSTEM BASICS	1000	1000	1000	1000	1000	1000	1000	1000
6 # OF DIV EMPLOYEES PROVIDED INTERMED LEVEL TRNG	450	450	450	450	450	450	450	450
7 # CONTRACTS PROCESSED FOR THE DIVISION	58	58	58	58	58	58	58	58
PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):								
TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	15,197	15,197	15,197	15,197	15,197	15,197	15,197	15,197
ALL OTHER								
CHARGES FOR CURRENT SERVICES								
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	15,197	15,197	15,197	15,197	15,197	15,197	15,197	15,197
PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):								
SPECIAL FUNDS	15,197	15,197	15,197	15,197	15,197	15,197	15,197	15,197
TOTAL PROGRAM REVENUES	15,197	15,197	15,197	15,197	15,197	15,197	15,197	15,197

A. Statement of Program Objectives

To enhance program effectiveness and efficiency by formulating policies, administering operations and personnel, and providing other administrative and housekeeping services.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

There were no new programs added in FY 2004. Similarly, there are no plans to add new programs. The requests are housekeeping in nature and involve the transfer of positions between HMS 236 and HMS 903 to reflect the reorganization of the Oahu Branch which was completed in State Fiscal Year 2004. As part of the reorganization a Social Work Office was established in HMS 903FO, Oahu Branch Administration, to centralize the delivery of social services to clients under a social services supervisor.

C. Description of Activities Performed

There are four major functions under which program activities are conducted:

1. The core function of planning, program development, administration (of operations and personnel), coordination/collaboration (among programs, with other agencies, and with the community), and overall performance monitoring/assessment/feedback for:
 - a) Financial assistance
 - b) Food stamp assistance
 - c) Employment and child care assistance;
2. The user support function for automated systems;
3. The training/staff development function; and
4. The investigations and overpayment recovery function.

D. Statement of Key Policies Pursued

1. Responsive and effective service delivery and program administration.
2. Efficient program administration.
3. A supportive and safe working environment for successful employee and program performance within the limits of available resources.
4. Expansion of employment and support services to families to assist families in obtaining or maintaining self sufficiency.

E. Identification of Important Program Relationships

Relations are maintained with other divisions within the Department of Human Services as well as private, county, state and federal programs, private business, and private sector agencies in order to achieve the overall objectives of the department.

F. Description of Major External Trends Affecting the Program

New Federalism, welfare reform and devolution (federal funding limits, a shift from matching to non-matching grants, and increased state flexibility) provide challenges as well as opportunities for states as they reform their welfare programs. For Hawaii, transforming welfare means implementing changes that place greater emphasis on clients assuming responsibility to obtain and maintain employment and a greater partnership with the business community and private sector agencies.

G. Discussion of Cost, Effectiveness, and Program Size Data

1. A large portion of the program's expenditures consist of fixed costs and essential services: operation and maintenance of the HAWI and the HANA computer systems, along with their associated software and network equipment; contracts with public agencies and private providers for employment and child care services; program development; fraud

investigation and recovery; and training for eligibility determination and employment services workers.

2. Planned Level of Program Effectiveness

The percentage of recipient fair hearings held that were decided in favor of the Department: this rate is projected to remain at 85%.

The percentage of employees working without formal grievances: we expect the rate to remain high.

The number of complaints received from contracted providers: there were none in FY 2004, and due to improved administration, we do not anticipate any complaints in the future.

The number of contracts processed in a timely manner: improved contract administration enabled the program to process all contracts on time in FY 2004, and we intend to maintain that level in the future.

3. Projected Target Group Size

The number of contracted providers of services to the division: this number should increase as we increase funding TANF programs.

The number of personnel in the division: this number is expected to remain steady.

4. Projected Levels of Program Activities

The number of information system enhancements/modifications/solutions in the division per fiscal year: although the number is projected to remain steady, the scale of the projects such as the HAWI redesign will be a massive undertaking.

The number of fraud investigations per fiscal year: the number is projected to increase slightly.

The number of employee grievances filed: the number is projected to remain the same.

The number of division employees provided training in program/system basics: The number should remain steady through the planning period.

The number of division employees provided intermediate level skill development training for the seasoned worker: the number increased in FY 2004, and we expect it to remain at this level.

The number of contracts processed for the division: the number is projected to increase.

H. Discussion of Program Revenues

The program receives funds from both the state and federal governments. Administrative support of the Temporary Assistance to Other Needy Families; Aid to the Aged, Blind and Disabled; and General Assistance programs are 100% state funded. Support for the Low Income Home Energy Assistance program is 100% federally funded. The program receives 50% federal funding participation for support for the Medicaid and Food Stamp programs. A portion of the Temporary Assistance to Needy Families and Child Care and Development Fund block grants are allocated to the program as well.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

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PROGRAM ID: HMS904
PROGRAM STRUCTURE NO. 060406
PROGRAM TITLE: GENERAL ADMINISTRATION (DHS)

OPERATING AND CAPITAL EXPENDITURES

REPORT P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
OPERATING COST	188.00*	188.00*	189.00*	189.00*	189.0*	189.0*	189.0*	189.0*
PERSONAL SERVICES	8,039,571	8,346,272	8,550,892	8,550,892	8,551	8,551	8,551	8,551
OTHER CURRENT EXPENSES	1,461,517	1,318,839	1,318,839	1,318,839	1,319	1,319	1,319	1,319
TOTAL OPERATING COST	9,501,088	9,665,111	9,869,731	9,869,731	9,870	9,870	9,870	9,870
BY MEANS OF FINANCING								
GENERAL FUND	172.84*	172.84*	173.34*	173.34*	173.3*	173.3*	173.3*	173.3*
	8,089,901	8,226,128	8,404,533	8,404,533	8,404	8,404	8,404	8,404
OTHER FED. FUNDS	15.16*	15.16*	15.66*	15.66*	15.7*	15.7*	15.7*	15.7*
	1,411,187	1,438,983	1,465,198	1,465,198	1,466	1,466	1,466	1,466
TOTAL POSITIONS	188.00*	188.00*	189.00*	189.00*	189.00*	189.00*	189.00*	189.00*
TOTAL PROGRAM COST	9,501,088	9,665,111	9,869,731	9,869,731	9,870	9,870	9,870	9,870

PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: HMS-904

PROGRAM STRUCTURE NO: 060406

PROGRAM TITLE: GENERAL ADMINISTRATION (DHS)

	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
MEASURES OF EFFECTIVENESS								
1 PERCENT OF SF-1 DECISIONS UPHELD BY DPS	96	96	96	96	96	96	96	96
2 % OF APPEALS RESOLVED W/IN SPECIFIED TIME CRITERIA	90	90	90	90	90	90	90	90
3 % HMS904 EMPLOYEES WORKING W/O FORMAL GRIEVANCES	98	98	98	98	98	98	98	98
4 % DHS EMPLOYEES WORKING W/O FORMAL GRIEVANCES	97	97	97	97	97	97	97	97
5 % FEDERAL FUNDS DRAWN DOWN W/IN SPEC TIME CRITERIA	95	95	95	95	95	95	95	95
6 % CONTRACT PAYMTS PAID W/IN SPECIFIED TIME CRIT	85	85	85	85	85	85	85	85
7 LEVEL OF CLIENT SATISFACTION REGARDING MSO PROJS	70	70	70	70	70	70	70	70
8 % IT PROJECTS COMPLETED W/IN SPEC TIME CRITERIA	90	90	90	90	90	90	90	90

PROGRAM TARGET GROUPS

1 NUMBER OF PERSONNEL IN DEPT	2000	2000	2000	2000	2000	2000	2000	2000
2 # OF DIVISIONS & ATTACHED AGENCIES IN THE DEPT	5	5	5	5	5	5	5	5

PROGRAM ACTIVITIES

1 NUMBER OF APPEALS CONDUCTED (ANNUALLY)	700	700	700	700	700	700	700	700
2 NUMBER OF SF-1'S PROCESSED (ANNUALLY)	600	600	600	600	600	600	600	600
3 NUMBER OF WARRANT VOUCHERS PROCESSED (ANNUALLY)	10000	10000	10000	10000	10000	10000	10000	10000
4 NUMBER OF MANDATED FISCAL FEDERAL REPORTS (ANNUAL)	252	252	252	252	252	252	252	252
5 NUMBER OF FORMAL GRIEVANCES FILED (ANNUALLY)	60	60	60	60	60	60	60	60
6 # AUTOMATION INITIATIVES IMPLEMENTED (ANNUALLY)	30	36	36	36	36	36	36	36

PROGRAM REVENUES BY TYPE (IN THOUSANDS OF DOLLARS):

TAXES								
LICENSES, PERMITS AND FEES								
REVENUES FROM THE USE OF MONEY AND PROPERTY								
REVENUE FROM OTHER AGENCIES: FEDERAL	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830
ALL OTHER								
CHARGES FOR CURRENT SERVICES	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
FINES, FORFEITS AND PENALTIES								
NON-REVENUE RECEIPTS								
TOTAL PROGRAM REVENUES	21,830	21,830	21,830	21,830	21,830	21,830	21,830	21,830

PROGRAM REVENUES BY FUND TO WHICH DEPOSITED (IN THOUSANDS OF DOLLARS):

GENERAL FUND	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
SPECIAL FUNDS	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830
TOTAL PROGRAM REVENUES	21,830	21,830	21,830	21,830	21,830	21,830	21,830	21,830

Program Plan Narrative

HMS 904: GENERAL ADMINISTRATION (DHS)

06 04 06

A. Statement of Program Objectives

To enhance program efficiency and effectiveness by formulating overall policies, directing operations and personnel and providing other administrative and housekeeping services.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The program has one request, the transfer of one permanent position, a Program Budget Analyst III, from HMS 902, General Support for Health Care Payments, to HMS 904.

C. Description of Activities Performed

The General Administration Program, which consists of the Office of the Director, Fiscal Management Office, Personnel Office, Management Services Office, Office of Information Technology and Administrative Appeals Office, provides administrative and fiscal direction and control as well as technical assistance to the various programs within the Department. The activities are grouped into three major categories:

1. Formulating Overall Policies – Plan and develop short- and long-range programs to achieve the objectives of the major program areas within the Department; evaluate program policies and procedures and initiate changes when applicable; propose State and Federal legislation and conduct research related to program needs.
2. Directing Operations and Personnel – Evaluate quality and quantity of services rendered by programs; conduct studies and develop management improvement programs; enhance employee skills and improve work performance through in-services training and staff development programs; safeguard employee health and

welfare; assure adequate and appropriate work force to maintain a satisfactory operational level; and participate in labor relations and collective bargaining contract negotiations.

3. Providing Other Administrative Services – Maintain a system of fiscal control and reporting on state, federal and other funds; maintain a system of purchasing, disbursement and inventory management; provide technical assistance to program managers in budget preparation and execution; develop, install and maintain an effective information system; and coordinate rules and regulations for programs.

D. Statement of Key Policies Pursued

Provide leadership, direction and assistance to various programs within the department while placing greater emphasis on accountability of program managers in meeting program objectives and addressing the needs of families within the community.

E. Identification of Important Program Relationships

On the federal level, this program works closely with the Department of Health and Human Services in its management and fiscal components. In the private sector, this program contracts with many providers of services who complement the level of service provided by the department.

F. Description of Major External Trends Affecting the Program

Change of federal programs and federal funding levels as well as changes in public attitudes toward the department's programs have a significant impact on the activities of the General Administration Program.

G. Discussion of Cost, Effectiveness, and Program Size Data

The program continues to provide major leadership in addressing the delivery of services provided to our clients and in the use of technology to improve our efficiency and effectiveness.

H. Discussion of Program Revenues

Administrative costs in support of federally funded programs are partially funded by the federal agencies.

I. Summary of Analysis Performed

None.

J. Further Considerations

The ability of the program to respond in a timely manner to the needs of the community requires a "community-based" orientation by administrators and a continual search for alternative ways of providing services to the community.

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Capital Budget Details

STATE OF HAWAII
PROGRAM ID

PROGRAM STRUCTURE NO. 06020201

PROGRAM TITLE

HMS-220

06020201

RENTAL HOUSING SERVICES

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT
IN THOUSANDS OF DOLLARS

REPORT 878
PAGE 70

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE										SUCCEED YEARS		
COST ELEMENT/MOF				PROJECT TOTAL	PRIOR YRS	FY 03-04	FY 04-05	BUDGET PERIOD		FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	
RH006			REPLACEMENT	HOUSING CESSPOOL CONVERSIONS												
			DESIGN	900			300			300						
			CONSTRUCTION	5,100			1,700			1,700			1,700			
			TOTAL	6,000			2,000			2,000			2,000			
			G.O. BONDS	6,000			2,000			2,000			2,000			
P04022			NEW	LAIOLA GENERATOR, HEAT PUMP, AND LIGHTING, OAHU												
			DESIGN	5			5									
			CONSTRUCTION	65			65									
			TOTAL	70			70									
			G.O. BONDS	70			70									
P04023			NEW	WAIKAHA HAZARDOUS MATERIALS ABATEMENT, OAHU												
			DESIGN	10			10									
			CONSTRUCTION	90			90									
			TOTAL	100			100									
			G.O. BONDS	100			100									
P04024			NEW	HAUAIKI HOMES HAZARDOUS MATERIALS ABATEMENT, OAHU												
			DESIGN	100			100									
			CONSTRUCTION	900			900									
			TOTAL	1,000			1,000									
			G.O. BONDS	1,000			1,000									

STATE OF HAWAII
PROGRAM ID

PROGRAM STRUCTURE NO. 06020201

PROGRAM TITLE

HMS-220

06020201

RENTAL HOUSING SERVICES

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT
IN THOUSANDS OF DOLLARS

REPORT B78
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PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE		BUDGET PERIOD		FY		FY		FY		FY		FY		SUCCEED YEARS
			COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11					
P04025			NEW	ULUWEHI APARTMENTS DEMOLITION, OAHU														
			DESIGN	50			50											
			CONSTRUCTION	250			250											
			TOTAL	300			300											
			G.O. BONDS	300			300											
P04026			NEW	ADA COMPLIANCE AT VARIOUS LOCATIONS, STATEWIDE														
			CONSTRUCTION	250			250											
			TOTAL	250			250											
			G.O. BONDS	250			250											
P04027			NEW	PHYSICAL NEEDS ASSESSMENT, STATEWIDE														
			PLANS	280			280											
			TOTAL	280			280											
			G.O. BONDS	280			280											
PROGRAM TOTALS																		
			PLANS	460	180		280											
			DESIGN	3,002	1,937		465	300	300									
			CONSTRUCTION	22,824	16,169		3,255	1,700	1,700									
			EQUIPMENT	35	35													
			TOTAL	26,321	18,321		4,000	2,000	2,000									
			OTHER FED. FUN	7,347	7,347													
			G.O. BONDS	18,974	10,974		4,000	2,000	2,000									

STATE OF HAWAII
PROGRAM ID

HMS-229

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT
IN THOUSANDS OF DOLLARS

REPORT B78
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PROGRAM STRUCTURE NO. 06020203

PROGRAM TITLE

HCDCH ADMINISTRATION

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE				BUDGET PERIOD						SUCCEED
			COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07 08	FY 08-09	FY 09-10	FY 10-11	YEARS
HA007			RENOVATION	LUMP SUM CIP - REPAIR & MAINTENANCE, SITE				IMPROVEMENTS & RENOVATIONS, STATEWIDE						
			DESIGN	4,000				3,000	1,000					
			CONSTRUCTION	16,000				7,000	9,000					
			TOTAL	20,000				10,000	10,000					
			G.O. BONDS	20,000				10,000	10,000					
RH005			RENOVATION	REROOF AND SPALL REPAIR AT POHULANI EDLERLY				HOUSING, OAHU						
			DESIGN	60			60							
			CONSTRUCTION	600			600							
			TOTAL	660			660							
			G.O. BONDS	660			660							
PROGRAM TOTALS														
			PLANS	35	35									
			DESIGN	10,473	6,413		60	3,000	1,000					
			CONSTRUCTION	87,946	71,346		600	7,000	9,000					
			TOTAL	98,454	77,794		660	10,000	10,000					
			OTHER FED. FUN	73,909	73,909									
			G.O. BONDS	24,545	3,885		660	10,000	10,000					

STATE OF HAWAII
PROGRAM ID

PROGRAM STRUCTURE NO. 06010503

PROGRAM TITLE

HMS-503

06010503

YOUTH RESIDENTIAL PROGRAMS

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT
IN THOUSANDS OF DOLLARS

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PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE												
				COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 03-04	FY 04-05	BUDGET PERIOD FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	SUCCEED YEARS	
F70601			REPLACEMENT	HAWAII YOUTH CORRECTIONAL FACILITY SECURITY & INFRASTRUCTURE IMPROVEMENTS & REPAIRS, OAHU												
			PLANS		5				5							
			DESIGN		185				185							
			CONSTRUCTION		1,310				1,310							
			TOTAL		1,500				1,500							
			G.O. BONDS		1,500				1,500							
			PROGRAM TOTALS													
			PLANS		6	1			5							
			DESIGN		186	1			185							
			CONSTRUCTION		1,508	198			1,310							
			TOTAL		1,700	200			1,500							
			G.O. BONDS		1,700	200			1,500							